

Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



Estrella Mountain Community College

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020





Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

**Maricopa County Community College District
Phoenix, Arizona**

Prepared by
Division of Business Services



**Maricopa County Community College District Comprehensive
Annual Financial Report
Fiscal Year Ended June 30, 2020**

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Introductory Section

December 17, 2020

To the Citizens of Maricopa County:

I am pleased to submit the Comprehensive Annual Financial Report for the fiscal year ended on June 30, 2020.

During the fiscal year 2019-20, the Maricopa County Community College District continued its efforts to significantly transform many facets of our System in support of a better student experience and success rate. It is anticipated that such efforts will improve the District's ability to meet the diverse needs of our students and community, increase efficiency and collaboration among the District's 10 individual colleges, and better leverage resources across the System.



As the District continued to progress in the areas of guided pathways, industry partnerships and improving efficiencies in enterprise performance, our System has been greatly impacted by the Coronavirus pandemic that has disordered our county, nation, and the world beginning in March of 2020. Amid this global pandemic, the Maricopa County Community College District has adapted to multiple technologies and strategies to serve Arizona's most vulnerable and deeply affected communities. As one of the largest community college districts in the nation and the largest provider of workforce preparation for the state of Arizona, the Maricopa Community Colleges are well-positioned to support the upskilling and reemployment needs of the hundreds of thousands of Arizonians displaced by the public health crises.

Over the past several months, MCCCCD has moved quickly to implement significant changes designed to address students' needs during this difficult time. The COVID-19 pandemic brought tremendous changes to how our System delivers higher education. Our Colleges were able to transition 96%, or 21,000, of our courses to remote and online learning modalities for the safety of our students and faculty.

Such mitigation efforts are possible in part due to Federal Coronavirus Aid, Relief, and Economic Security Act (CARES) - Federal Higher Education Emergency Relief Fund (HEERF) funding and because the District manages its finances with a long-term perspective in mind, continually monitoring its financial stability through strategic and financial planning processes. We remain committed to keeping tuition affordable and property taxes as low as possible while meeting financial commitments.

We know that to serve our students and the community with excellence, we must continue to improve all areas of service delivery. As we work to remain competitive, we aim to innovate, collaborate, and respond to the needs of our students and local workforce requirements.

Respectfully,

Dr. Steven R. Gonzales
Interim Chancellor

December 17, 2020

To the Residents of the Maricopa County Community College District:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Maricopa County Community College District (MCCCD; the District) for the fiscal year ended June 30, 2020 (FY 2020).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. Disclosures necessary to enable the reader to gain an understanding of the District's financial status and activities have been included.

Management is responsible for establishing and maintaining internal controls, which ensure that assets are protected from loss, theft, or misuse, and ensuring that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Audit services are provided to the MCCCD by the State of Arizona Office of the Auditor General. Arizona Revised Statutes require an annual audit of the District's financial statements. This requirement has been complied with and the Independent Auditors' Report is included in this document. The auditors' opinion is unmodified.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Reporting Entity

The District is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, the financial reporting entity consists of "a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete." MCCCD is a primary government because it is "a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments". Although the District shares the same geographic boundaries with Maricopa County, financial accountability for all activities related to public community college education in Maricopa County is exercised solely by the District. In accordance with

Reporting Entity (continued)

GASB Statement No. 39, the financial activity of the Maricopa County Community College District Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

Profile of Maricopa County Community College District

As a political subdivision of the State of Arizona, the MCCCDC is subject to the oversight of the District's Governing Board (the Board), which is comprised of seven elected members, five elected from geographical districts within Maricopa county and two at-large members representing the entire county. Board members are elected in staggered years to four-year terms. The Board is granted full authority from the Arizona Revised Statutes to oversee the business and educational needs of the District.

The District serves the educational needs of Maricopa County through ten accredited colleges and three skill centers. The colleges and skill centers are managed by ten college presidents. District-wide administrative and support services are centralized and administered by the Chancellor, Provost, Chief Operating Officer, and Chief Workforce and Economic Development Officer.

History

The District was established in 1962 under the provisions of legislation enacted by the Arizona State Legislature in 1960. This legislation created the Arizona State Junior College System and provided for the formation of junior college districts on a county basis throughout the state. At that time there was one college in the system, Phoenix [Junior] College, founded in 1920. Today the District consists of ten regionally accredited colleges, comprising one of the nation's largest multi-college community college systems.

Geography/Population

Located in the south-central portion of the State of Arizona, Maricopa County (the County) qualifies as the major economic, political, and population center in the State. The area includes the Greater Phoenix Metropolitan Area, which is comprised of Phoenix, Glendale, Mesa, Scottsdale, Paradise Valley, Tempe, Peoria, Chandler, Gilbert, and other smaller cities and towns in addition to all the unincorporated areas of the County. Encompassing over 9,200 square miles, Maricopa County is the fourteenth largest county in land area in the continental U.S. and larger than seven states.

Maricopa County continues to have one of the fastest growing populations in the United States. According to the U.S. Census Bureau Population Division, the County's population increased by 24% in the 10-year period between the official census dates of April 2000 and April 2010. As of July 2019, the Arizona Office of Economic Opportunity estimated the County's population to be 4,367,835, making it the fourth most populated county in the nation.

Maricopa County has 61% of the State's total population and 71% of the total labor force. A majority of the County's labor force (88%) is employed in the service markets. These include trade, transportation, and utilities; professional and business services; educational and health services; government; leisure and hospitality; and financial activities.

Profile of Maricopa County Community College District (continued)

Types of Services

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to over 195,000 individuals year-round in credit classes and nearly 12,000 individuals in special-interest/non-credit classes.

The District offers a wide range of quality academic, career and technical, and personal interest programs to meet the needs of students throughout Maricopa County. Students planning to transfer to a four-year institution may first complete the 35-credit hour Arizona General Education Curriculum core and/or an associate degree. The District offers the following associate degrees: Associate in Arts (including specialized degrees in Elementary Education and Fine Arts), Associate in Business, Associate in Science, Associate in General Studies, and Associate in Applied Sciences. Numerous Associate of Applied Science degrees and Certificates of Completion are available for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 43% Anglo, 36% Hispanic, 6% African American, 4% Asian, 2% Native American and 9% other.

The District is a major part of the community and continues to be a pipeline for the State’s four-year universities, primarily Arizona State University (ASU). In academic year 2019-2020, nearly 35,000 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCCDC.

The District also provides a variety of direct services to the community. These include: KJZZ-FM Public Radio-91.5 (news/jazz); KBAQ-FM Public Radio-89.5 (classical); Sun Sounds Radio Reading Service (for the visually-impaired); the Small Business Development Center state-wide network; and two charter high schools with accelerated, career-focused programs offering concurrent college courses at central city college campuses.

State and Local Economy

The District is the largest provider of workforce training in Arizona, with programs in areas such as nursing and allied health, information technologies, business, construction and manufacturing, public services (police and fire science), and design fields. Through its Center for Workforce Development, the District has become well known both locally and nationally as the largest provider of job training in Arizona for new and expanding companies and enjoys ongoing success in forging partnerships with business and industry. The District, the State’s other community college districts and public universities, and private colleges, universities and technical institutes, play a key role in providing the necessary workforce development and job training offerings to meet the needs of the state’s employment markets. This solid infrastructure of educational institutions significantly contributes to the dynamic performance of the Arizona workforce and its economy.

State and Local Economy (continued)

Prior to the Coronavirus Pandemic impacting the world in the latter half of FY 2020, the Office of Economic Opportunity within the Arizona Department of Administration projected Arizona's economy to grow steadily for the calendar years 2019-2021. Specifically, Arizona's jobs are projected to increase from 3,087,523 in the third quarter of 2019 to 3,246,996 in the second quarter of 2021 which indicates an estimated net growth of 159,473 jobs. This translates into 2.6% annualized growth for the two-year period. This data was reported in February 2020. As of August 2020, Arizona's seasonally adjusted unemployment rate was 5.9%. The long-term effects of the Pandemic are yet to be known.

Long-term Financial and Operational Planning

The District engages in an annual financial planning cycle that involves all levels of the organization. This planning process provides a framework to advance the District's vision, mission and goals in order to meet the needs of the students and community.

Budget and financial policies, approved by the Board, provide guidance for sufficient planning of resources, appropriate divisions between operational and capital activity, and adequate reserve levels for revenue shortfalls or expenditure needs. Fiscal integrity is the cornerstone upon which the District plans, monitors, and reports its financial activities and resources. Particular emphasis is placed on maintaining the financial stability of the District and the annual budget is developed with this objective. Goals for financial stability enable the District to manage revenue shortfalls and cash flows to ensure continued operations and to provide for unforeseen contingencies without impairing the quality of service needed to respond to its customers.

This planning process and policy guidance support the development of the District's long-term operational planning which is included each year in the annual budget and related presentations. This multi-year plan helps the District align its key components of strategic and financial planning with estimated trends in funding as well as linking long-term strategic directions with estimated long-term budget resources.

Budget Process

The District's elected Governing Board establishes policy and sets goals and priorities. Meetings are held with elected faculty and councils to ensure input on District initiatives. Recommendations are made to the Chancellor and the Chancellor's Executive Council (CEC). The CEC in turn makes recommendations to the Chancellor who ultimately presents a fiscally stable and balanced budget to the Governing Board. At a public meeting in the spring, the Governing Board adopts a preliminary budget with final budget adoption occurring by June 20.

Financial Reporting

An automated financial accounting system captures all financial transactions and provides data for the preparation of this CAFR, including the audited financial statements. These statements present information on the financial position of the District and confirm that resources were adequate to cover the costs of providing services during the reporting period. The District's award-winning CAFR is distributed to the Board, executive management, the state legislature, federal and state agencies, bond-rating agencies, financial institutions and the general public. Internal management reports, customized to meet the information and decision-making needs at all levels of the organization, aid in the management of financial resources. The District also routinely monitors and reports on revenue collections and actual expenses compared to budget at each college. It carefully reviews fluctuations and implements strategies to remedy variances throughout the year.

Major Initiatives

In FY 2017, strategic commitments were identified to further the District's objective to increase student success and completion rates. To achieve these commitments and better meet the needs of students and the community, the District embarked on a transformation plan and committed resources to see its implementation. As a community of colleges serving a large and diverse metropolitan area, shifting our culture from 10 individual colleges to a system of colleges working together to support students and the community, will enable the District to be more entrepreneurial, increase efficiency and collaboration, and better leverage resources across the system. The District's transformation is focused on three primary areas: Guided Pathways and Student Support, Industry Partnerships, and Enterprise Performance.

Transformation – Guided Pathways and Student Support

Research shows that students are more likely to complete on time if they identify a career goal early on, have a clear outline of the courses required, and receive consistent guidance and support along the way. We will structure our colleges to more effectively support students from the time they seek access through successful completion of a course of study and receive a certification, associate's degree, or transfer to a higher education institution. Guided Pathways represents a comprehensive approach to improving student completion and will provide students with more clarity about the steps necessary to achieve their educational goals. Additional guidance from counseling or advising early in students' journeys has been found to increase the likelihood of completion (transfer or career placement).

Transformation – Industry Partnerships

Robust relationships between colleges and local employers are critical to building strong workforce development programs for students. Industry partners play a key role in curriculum development and credential validation to ensure graduates and certification holders have the right credentials to perform the necessary functions. Those same partners also can bring to life career options and work-based experiences that help students apply their education and potentially earn credits while earning wages. The District is working to transform targeted industry sector programs into regional "institutes" involving multiple colleges and programs. These institutes will be managed centrally but deliver relevant credit and non-credit programs across each region targeted to fill critical labor market gaps. A single industry advisory board will be established for each sector representing the entire county and student offerings will include structured internships, apprenticeships, and other on-the-job and immersion experiences for students. Through these institutes, the District will establish partnerships that lead to meaningful changes to traditional curriculum and instructional practices and provide resources for community college faculty and staff to develop skills needed to design new curricula, teach integrated developmental, occupational and academic course work and better track student progress and employer needs.

Transformation – Enterprise Performance

The focus of the Transformation Program at its core is students and much of the work in the previous areas rely heavily on the District's employees and systems it has in place. Therefore, the District is placing significant emphasis on becoming more efficient and effective through both its human resources and enterprise systems. One effort will be to ensure we have a robust and comprehensive talent management system that ensures we retain and attract the best and the brightest employees. Another effort will be to ensure we eliminate any unnecessary redundancies in our processing of transactions. Yet another is to fully implement a budget approach that allocates funds to where funds are most needed to achieve the goals of the District.

Major Initiatives (continued)

Public University Partnerships

Maricopa is committed to supporting and enhancing transfer partnerships with Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA). These partnerships are intended to increase the number of students who complete associate and bachelor's degrees. Along with clear curriculum pathways, the transfer programs provide students with dedicated advising, scholarship opportunities, and support services. The Maricopa/ASU Alliance has grown steadily with over 200 university majors outlined through degree-to-degree pathways, which are tracked with a customized degree audit tool. The NAU Connection partnership offers Connect2NAU Joint Admission, and a variety of Bachelor's degree programs, online or on-site at the Maricopa Community Colleges. The UA Bridge program includes prescribed program pathways as well as local advisement and events for UA-bound transfer students.

Residential/Adjunct Faculty Ratio

The District has initiated a plan that calls for 60% of the instructional load at each college to be taught by residential faculty. By implementing the 60:40 ratio, the District will support student success and retention through increased workforce stability, enhanced learning environments, and improved student engagement. To achieve this goal, the District may add about 250-300 new residential faculty to the colleges with the exact number dependent on enrollment changes. The planned timeframe overall is 8 to 10 years.

2004 Capital Development Program

As a result of a referendum approved by 76% of Maricopa County voters in November 2004, the District embarked on a \$951 million capital program financed by General Obligation bonds. The Capital Development Program provided the physical environment, occupational and instructional equipment, and technology to support education and job training, and to meet the needs of current and future community college students through new and improved institutional facilities, support spaces, equipment, and technology. The bond reached all colleges and skill centers in the District and funded improvements in educational and institutional technologies as well as student and community safety and security.

Since the inception of the 2004 Capital Development Program, the District completed more than 85 projects that were fully or substantially funded by 2004 General Obligation bonds. These projects included 1,211,500 square feet of new space and 1,016,000 square feet of remodeled space, with total budgets of \$714 million. With a variety of needs at each college, new buildings and remodeling projects often are multi-use, rather than single-use or a single discipline. 15 new or remodeled projects totaling 695,000 square feet were dedicated to or contained science labs. 11 new or remodeled projects totaling 352,000 square feet were dedicated to or contained healthcare occupation and instruction areas. Also included in the Program were seven projects, along with Rio Salado College satellite centers, which are wholly dedicated to or contain student services and support functions.

Twenty-six real estate transactions (existing buildings or raw land) added 569,000 square feet and 290 acres with a total expenditure of \$85 million. Included in the purchases were three large undeveloped land parcels (Buckeye, Surprise, and Laveen) totaling 213 acres for future college centers.

Major Initiatives (continued)

The last projects of the 2004 Capital Program are now complete, including the Business School/Indigenous Cultural Center at Scottsdale Community College, which includes instructional and tutoring space, campus meeting rooms, and areas supporting increased enrollment of Native American students and advancing Native American scholarship, in partnership with the Salt River Pima/Maricopa Indian Community. Also completed and opened in Fall 2018 was the remodeled Building C at Phoenix College, which updated and added physical science and chemistry instructional labs and classrooms.

In addition to the construction and remodeling, major improvements have been completed in college safety and security and large maintenance projects, including roofing and paving, throughout the District. The District continues significant energy and water conservation work across all existing locations, including large photovoltaic solar energy generating installations at four locations.

The District also continues to foster and develop partnerships. Funds from the 2004 General Obligation Bonds were used to construct the Communiversity in Queen Creek in partnership with the town of Queen Creek. Two Maricopa colleges and three colleges and universities have combined to offer more than 40 certificates of completion, Associate's, Bachelor's and Master's degree programs at the Communiversity@Queen Creek. Two additional buildings funded by the 2004 G.O. bond also host partnerships. The Paradise Valley Community College Black Mountain Center in far northern Scottsdale was completed in 2009 and operates in partnership with the Valley of the Sun YMCA and the Foothills Community Center; the South Mountain Community College Community Library Building, developed and jointly operated with the City of Phoenix, Arizona opened in June 2011.

Please see *Management's Discussion and Analysis – Current Factors Having Probable Future Financial Significance* for information regarding the District's initiation of a deferred maintenance program.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Community College District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 29th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

A Certificate of Achievement is valid for a period of one year only. We believe that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

We wish to thank the members of the Governing Board for their guidance and support in planning and conducting the financial operations of the District in a highly responsible and progressive manner. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Division of Business Services and the College Business Offices. Appreciation is expressed to the State of Arizona Office of the Auditor General for timely completion of the audit.

Respectfully submitted,

Dr. James Moore
Interim Chief Operating Officer

Gary Yaquinto
Chief Financial Officer

Kimberly Brainard Granio, CPA
Associate Chief Financial Officer & Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Maricopa County Community
College District, Arizona**

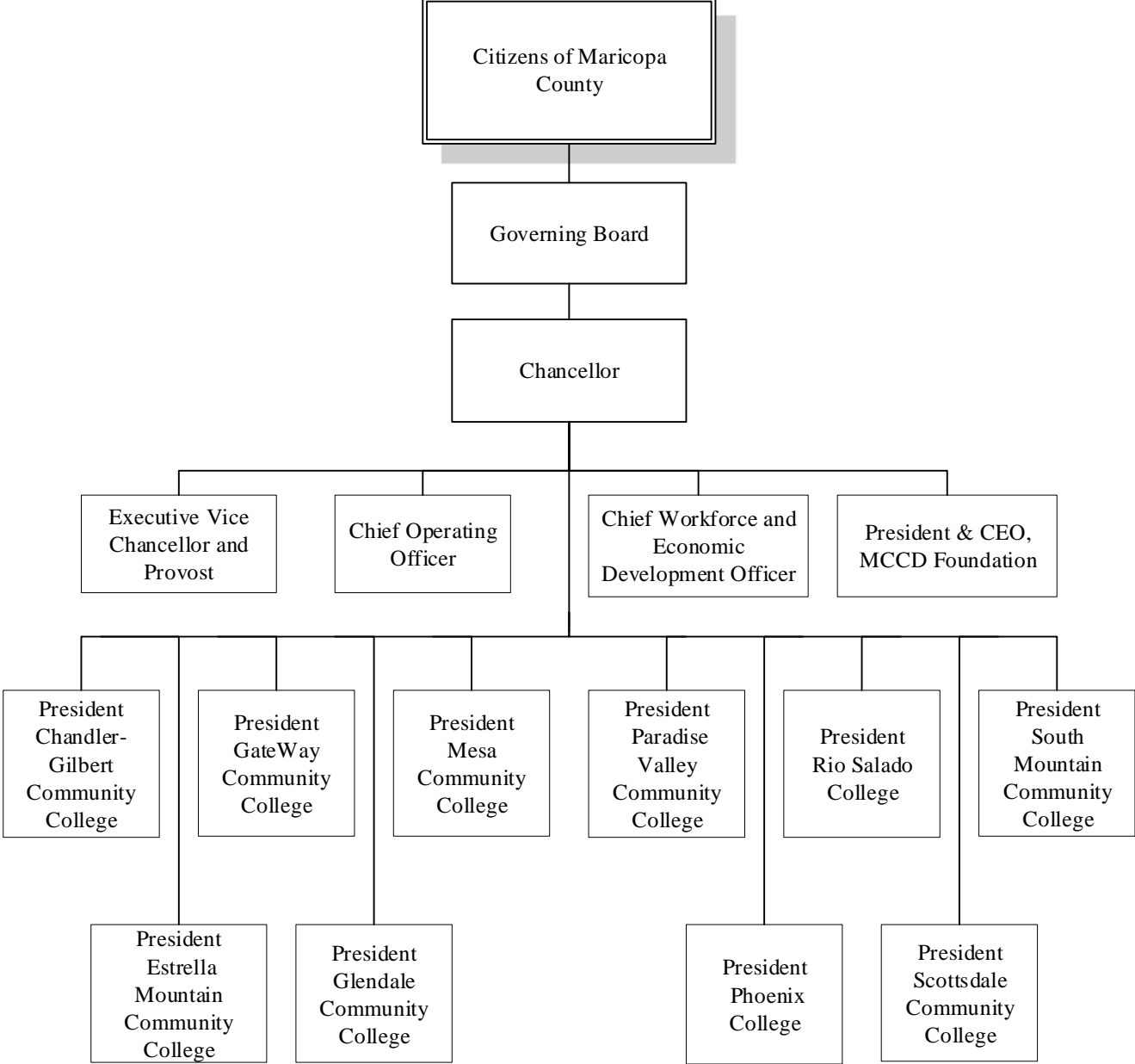
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Maricopa County Community College District Organizational Chart



Maricopa County Community College District

Principal Officers

Governing Board

Ms. Marie Sullivan, *President*
Mr. Laurin Hendrix, *Secretary*
Ms. Jean McGrath
Dr. Tom Nerini
Mr. Dana Saar
Dr. Linda Thor
Ms. Kathleen Winn
Ms. Julissa Munoz, *Student Member*

Administration

Dr. Steven R. Gonzales, *Interim Chancellor*
Dr. Karla Fisher, *Executive Vice Chancellor and Provost*
Dr. James Moore, *Interim Chief Operating Officer*
Ms. Darcy Renfro, *Chief Workforce and Economic Development Officer*
Mr. Brian Spicker, *Interim President & CEO, MCCD Foundation*

College Presidents

Dr. Greg Peterson, *President, Chandler-Gilbert Community College*
Dr. Rey Rivera, *President, Estrella Mountain Community College*
Dr. Maria Wise, *President, Interim GateWay Community College*
Dr. Teresa Leyba-Ruiz, *President, Glendale Community College*
Dr. Lori Berquam, *Interim President, Mesa Community College*
Dr. Paul Dale, *President, Paradise Valley Community College*
Dr. Larry Johnson, *President, Phoenix College*
Ms. Kate Smith, *Interim President, Rio Salado College*
Ms. Christina Haines, *Interim President, Scottsdale Community College*
Dr. Shari L. Olson, *President, South Mountain Community College*



Vision, Mission & Values

Vision

A Community of Colleges...Colleges for the Community

... working collectively and responsibly to meet the life-long learning needs of our diverse students and communities.

Mission

The Maricopa Community Colleges provide access to higher education for diverse students and communities.

We Focus On Learning Through:

- ▲▲ University Transfer Education
- ▲▲ General Education
- ▲▲ Developmental Education
- ▲▲ Community Education
- ▲▲ Workforce Development
- ▲▲ Student Development Services
- ▲▲ Continuing Education
- ▲▲ Civic Responsibility
- ▲▲ Global Engagement

As amended December 14, 2004 and December 13, 2005 by the Maricopa County Community College District Governing Board

Statement of Values

The Maricopa Community Colleges are committed to:

Community

We value all people – our students, our employees, their families, and the communities in which they live and work. We value our global community of which we are an integral part.

Excellence

We value excellence and encourage our internal and external communities to strive for their academic, professional and personal best.

Honesty and integrity

We value academic and personal honesty and integrity and believe these elements are essential in our learning environment. We strive to treat each other with respect, civility and fairness.

Inclusiveness

We value inclusiveness and respect for one another. We believe that team work is critical, that each team member is important and we depend on each other to accomplish our mission.

Innovation

We value and embrace an innovative and risk-taking approach so that we remain at the forefront of global educational excellence.

Learning

We value lifelong learning opportunities that respond to the needs of our communities and are accessible, affordable, and of the highest quality. We encourage dialogue and the freedom to have an open exchange of ideas for the common good.

Responsibility

We value responsibility and believe that we are each accountable for our personal and professional actions. We are responsible for making our learning experiences significant and meaningful.

Stewardship

We value stewardship and honor the trust placed in us by the community. We are accountable to our communities for the efficient and effective use of resources as we prepare our students for their role as productive world citizens.



Financial Section



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Maricopa County Community College District

Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Maricopa County Community College District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the other auditors' report. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The other auditors did not audit the discretely presented component unit's financial statements in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 18 through 25, schedule of the District's proportionate share of the net pension liability on page 59, and schedule of District pension contributions on page 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of revenues, expenses, and changes in net position by college/center and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The schedule of revenues, expenses, and changes in net position by college/center is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of revenues, expenses, and changes in net position by college/center is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lindsey A. Perry, CPA, CFE
Auditor General

December 17, 2020

Maricopa County Community College District Management's Discussion and Analysis For the Year Ended June 30, 2020

Our discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2020. It should be read in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

Basic Financial Statements

The District's financial statements are presented in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing generally accepted accounting principles (GAAP) for state and local governments, including public institutions of higher education. These pronouncements permit public colleges and universities to use the guidance for special-purpose governments, engaged only in business-type activities, in their separately issued financial statements. As such, the reader will observe that the presentation format is a consolidated, single-column, entity-wide format, similar to the type of financial statements one might encounter from a typical business enterprise or a not-for-profit organization. The basic financial statements consist of the following:

The *Statement of Net Position* reflects the financial position of the District as of June 30, 2020. It shows the assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows less total liabilities and deferred inflows. As such, it represents the residual of all other elements presented in the *Statement of Net Position* of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2020. It shows revenues and expenses, both operating and non-operating, and reconciles the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2020. It shows the cash activities by type and reconciles the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position*, described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Although the primary focus of this document is on the results and activity for fiscal year 2019-20 (FY 2020), comparative data is presented for the previous fiscal year, 2018-19 (FY 2019). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

Basic Financial Statements (continued)

Condensed Financial Information

<i>Statement of Net Position</i>	<i>As of June 30, 2020</i>	<i>As of June 30, 2019</i>
Assets		
Current assets	\$616,559,583	\$630,323,760
Noncurrent assets, other than capital assets	106,835,401	121,012,036
Capital assets, net	731,337,876	762,439,220
Total assets	1,454,732,860	1,513,775,016
Deferred Outflows of Resources	59,390,363	72,612,636
Liabilities		
Other liabilities	96,457,191	102,777,015
Long-term liabilities	858,585,866	937,727,702
Total liabilities	955,043,057	1,040,504,717
Deferred Inflows of Resources	56,766,015	72,089,549
Net position		
Net investment in capital assets	397,965,473	356,740,355
Restricted net position	116,953,874	127,721,322
Unrestricted net position	(12,605,196)	(10,668,291)
Total net position	\$502,314,151	\$473,793,386

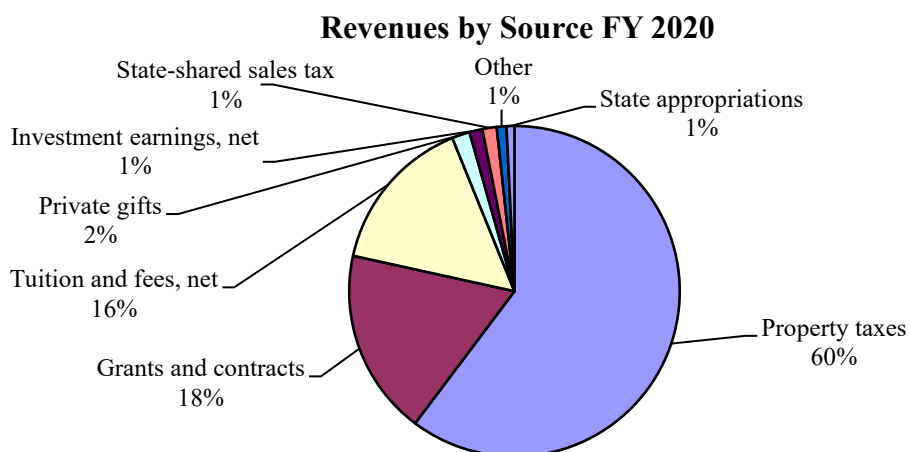
Condensed Financial Information (continued)*Statement of Revenues, Expenses, and Changes in Net Position*

	<i>For the Year Ended June 30, 2020</i>	<i>For the Year Ended June 30, 2019</i>
Operating revenues	\$157,343,323	\$160,341,378
Operating expenses:		
Educational and general	826,112,064	758,182,521
Auxiliary enterprises	45,265,793	46,016,567
Depreciation	52,129,906	56,234,679
Total operating expenses	<u>923,507,763</u>	<u>860,433,767</u>
Operating loss	<u>(766,164,440)</u>	<u>(700,092,389)</u>
Non-operating revenues and expenses	<u>794,497,252</u>	<u>750,163,663</u>
Income before other revenues, expenses, gains, or losses	28,332,812	50,071,274
Other revenues, expenses, gains, or losses	<u>187,953</u>	<u>41,737</u>
Change in net position	28,520,765	50,113,011
Net position, beginning of year	<u>473,793,386</u>	<u>423,680,375</u>
Net position, end of year	<u>\$502,314,151</u>	<u>\$473,793,386</u>

Condensed Financial Information (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2020, and June 30, 2019.

<i>Revenues by Source</i>	FY 2020		FY 2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
<u>Operating revenues</u>						
Tuition and fees, net of scholarship allowance	\$148,242,809	16%	\$150,269,539	16%	\$ (2,026,730)	(1%)
Other	9,100,514	1	10,071,839	1	(971,325)	(10)
Total operating revenues	157,343,323	17	160,341,378	17	(2,998,055)	(2)
<u>Non-operating revenues</u>						
Property taxes	579,335,424	60	564,758,002	61	14,577,422	3
State appropriations	7,400,000	1	0	0	7,400,000	100
State-shared sales tax	13,452,148	1	12,228,101	1	1,224,047	10
Grants and contracts	174,839,346	18	154,917,826	17	19,921,520	13
Private gifts	16,592,374	2	15,819,749	2	772,625	5
Investment earnings, net of investment expense	12,207,503	1	15,398,006	2	(3,190,503)	(21)
Total non-operating revenues	803,826,795	83	763,121,684	83	40,705,111	5
Capital grants and gifts	187,953	0	41,737	0	146,216	350
Total revenues	\$961,358,071	100%	\$923,504,799	100%	\$37,853,272	4%

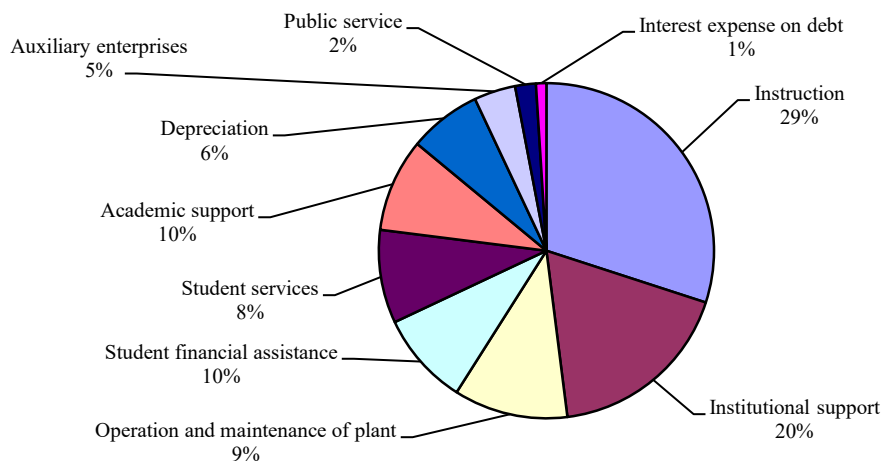


Condensed Financial Information (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2020, and June 30, 2019.

<i>Expenses by Function</i>	FY 2020		FY 2019		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
Operating expenses						
Educational and general						
Instruction	\$273,760,850	29%	\$263,916,524	30%	\$9,844,326	4%
Public service	17,998,748	2	16,746,814	2	1,251,934	7
Academic support	88,685,518	10	79,667,523	9	9,017,995	11
Student services	76,148,564	8	78,808,191	9	(2,659,627)	(3)
Institutional support	183,448,409	20	159,503,861	19	23,944,548	15
Operation and maintenance of plant	88,546,740	9	81,543,591	9	7,003,149	9
Student financial assistance	97,523,235	10	77,996,017	9	19,527,218	25
Auxiliary enterprises	45,265,793	5	46,016,567	5	(750,774)	(2)
Depreciation	52,129,906	6	56,234,679	7	(4,104,773)	(7)
Total operating expenses	<u>923,507,763</u>	<u>99</u>	<u>860,433,767</u>	<u>99</u>	<u>63,073,996</u>	<u>7</u>
Non-operating expenses						
Interest expense on debt	9,146,263	1	11,501,983	1	(2,355,720)	(20)
Loss on sale or disposal of capital assets	183,280	0	1,456,038	0	(1,272,758)	(87)
Total non-operating expenses	<u>9,329,543</u>	<u>1</u>	<u>12,958,021</u>	<u>1</u>	<u>(3,628,478)</u>	<u>(28)</u>
Total expenses	<u>\$932,837,306</u>	<u>100%</u>	<u>\$873,391,788</u>	<u>100%</u>	<u>\$59,445,518</u>	<u>7%</u>

Expenses by Function FY 2020



Financial Highlights and Analysis

Statement of Net Position

The District's overall financial position grew in FY 2020 as the total net position for the District improved by approximately \$28.5 million from FY 2019 to FY 2020. Total net position is comprised of the following sub-categories: net investment in capital assets, restricted, and unrestricted. There were changes in these sub-categories reflecting both increases and decreases for the year with the sum resulting in an overall increase in net position. The increase of \$41.2 million in net investment in capital assets results from a lower net book value for assets (see description of change in capital assets below) which is offset by larger decrease in related bonds payable due to debt service payments. Restricted net position decreased by \$10.8 million due to decreases in debt service and capital projects, both declines relating to the District's 2004 GO Bond program. Debt service net position declined as the debt service requirements for FY 2020 are lower than those for FY 2019 and the decrease in capital projects is due to the expending of remaining bond proceeds. Unrestricted net position continues to be negative in FY 2020 due to the requirements of GASB 68 – *Accounting and Financial Reporting for Pensions* first implemented in FY 2014-15. Over time and with good performance by ASRS, we would expect the negative unrestricted net position to eventually return to positive territory.

It is important to note that the implementation of GASB 68 results in entries and adjustments regarding pension liabilities for reporting and presentation purposes only. Without these adjustments and entries, the financial picture would show that the District continues to maintain sufficient reserves and has adequate resources to meet all current obligations.

Total assets decreased by \$59.0 million. Current assets decreased \$13.8 million and non-current assets, other than capital assets decreased \$14.2 million. Both declines are primarily due to final spending of bond proceeds to close out the District's 2004 GO Bond program and cash being converted to capital assets; however, overall capital assets, net, decreased \$31.1 million as accumulated depreciation outpaced capital additions with the end of the bond program in early FY 2020.

Deferred outflows and inflows of resources are predominantly comprised of activity relating to pensions. Deferred outflows and inflows of resources are changes in the net pension liability that will be recognized as pension expense in future years and contributions after the measurement date that will reduce the net pension liability in future years. Variances in these lines from year to year will arise from changes in performance of investments, contribution changes to ASRS plans, composition of employer participants, recognition of prior year deferrals, etc. within a given year.

The most significant components of long-term liabilities for the District are bonds payable and net pension liability. The decrease in long-term liabilities of \$79.1 million or 8.4% from FY 2019 to FY 2020 is due to a combination of the following: the payment of debt service and amortization of bond premiums (\$73.4 million), no issuance of any new debt, and a decrease in the net pension liability (\$7.8 million) for FY 2020.

Statement of Revenues, Expenses, and Changes in Net Position

The District has three major revenue sources: property taxes, grants and contracts, and tuition and fees. Total revenue for the District increased by \$37.9 million or 4% as a result of increases in the following major categories: property tax revenue rose by \$14.6 million due to a 3% increase in the primary property tax to fund increased operational and capital needs (see *Current Factors Having Probable Future Financial Significance*); state appropriations (\$7.4 million, 100%) were provided to the District for science, technology, education, math, and workforce programs as well as to expand healthcare programs; and grants and contracts (\$19.9 million, 13%) grew as Federal Coronavirus Aid, Relief, and Economic Security Act (CARES) - Federal Higher Education Emergency Relief Funds (HEERF) were provided to the District with the purpose of providing emergency grants to students and to offset new expenses incurred while moving to a remote teaching and learning environment due to the Coronavirus pandemic. These increases were offset by declines in investment earnings, net of investment expense (\$3.2 million, 21%) resulting from fewer funds invested as the District had fully expended all bond proceeds early in FY 2020.

An overall increase of \$59.4 million was noted for expenses. Increases were noted in most functional categories as the District granted a 2% cost of living adjustment (COLA) to its employees in FY 2020. An exception was noted for a relatively small decrease in student services expenses of 3% (\$2.7 million) as increases in compensation from the COLA were offset by decreases in student-centered activities due to the Coronavirus pandemic, including decreased travel, supplies, and official functions. Other notable increases in expenses incurred due to the pandemic include additional student aid (student financial assistance – \$19.5 million, 25%), and institutional support expenses (\$23.9 million, 15%) for enhanced cleaning and supplies, personal protective equipment, and expenses needed to move to a remote learning environment. Much of the pandemic-related expenses were funded by the Federal CARES Act grant.

Capital Assets and Debt Administration

The District's capital assets as of June 30, 2020, totaled \$731.3 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The District's total capital assets decreased as depreciation outpaced capital spending with the 2004 GO Bond program closing out in early FY 2020. The District has about \$14.6 million in construction in progress with an estimated cost to complete of approximately \$25.8 million. Additional information on capital assets can be found in Notes to Financial Statements – Note 4.

The District has issued nearly 100% of the \$951.4 million in GO bonds that were approved by voters in November 2004 and all remaining proceeds were expended early in FY 2020. Information on all of the District's bond issues is presented in greater detail in Notes to Financial Statements – Note 5.

During March 2020, Standard and Poor's Global Ratings performed a periodic surveillance review of MCCC'D's outstanding General Obligation bonds. On April 1, 2020, they assigned a long-term AAA rating to the District's 2016 GO refunding bonds and affirmed the AAA rating on the remaining outstanding GO bonds. Reasons cited for the high ratings included deep and diverse economic base; good financial policies and management practices; maintenance of very strong financial and unrestricted net assets positions despite declining full-time student equivalent (FTSE) enrollment; continued financial flexibility; and very low to low overall net debt burden and very rapid amortization. See Transmittal Letter-State and Local Economy, for additional information on the State's economy.

Current Factors Having Probable Future Financial Significance

In the environment of the COVID-19 pandemic, the District moved nearly all of its operations and courses to a remote environment as of the end of March 2020. Courses with objectives that could not be met in a virtual environment were brought back to campuses in a socially distant manner beginning in the summer of 2020. Fall 2020 began with about 80% of classes held virtually with only those courses requiring an in-person component conducted on campus in a socially distant environment. The District also shifted to offering many courses in two 8-week sessions versus the traditional 15- or 16-week courses. Additionally, for FY 2020-21, the Governing Board approved the use of up to \$30 million of balances (net position) to provide relief to students. These funds will be used for additional need-based opportunity grants for students with remaining need after all financial aid has been awarded, tuition discounts for students taking more than 12 credit hours, and waivers out of state tuition for students taking 6 credit hours or less. These actions are expected to encourage students to continue their education during this very challenging time. As all entities are still facing the pandemic, there continues to be a huge amount of uncertainty about the future of the COVID-19 outbreak and the economic impacts associated with it.

As the 2004 GO Bond Program was closing out, the District adopted a new strategy in FY 2019 to fund, at least in part, continuing capital needs (i.e., new and replacement equipment and technology for academic programs, revitalization of older or out-of-date facilities, maintenance of older facilities and technology, etc.). The new strategy shifts a portion of the secondary property tax levy no longer needed for debt service to the primary levy to be used for capital needs. The shift in purpose of the levy still allows for the total property tax levy to decline and for the District to possibly forego the need for future GO bonds. This new strategy for funding capital needs has allowed the District to launch a multi-year deferred maintenance program starting in FY 2020 that is intended to address nearly 5,400 projects with an estimated 2019 repair/replacement value of \$378 million. In its inaugural year, the District's deferred maintenance program completed 252 projects at a cost of \$12.75 million. Original planning anticipated completion of 162 projects at that cost, but through the employment of project cost efficiency/saving measures including delivery method alignment, combining projects, and targeted scheduling, 90 additional projects were completed resulting in an estimated program savings of \$4.25 million.

Requests for Information

This discussion and analysis is designed to provide a general overview of the Maricopa County Community College District's finances for all those with an interest in such matters. Questions concerning any of the information provided in this Comprehensive Annual Financial Report or requests for additional financial information should be addressed to the Office of Financial Services and Controller; The Maricopa Community Colleges; 2411 W. 14th Street; Tempe, AZ 85281.

Maricopa County Community College District
Statement of Net Position – Primary Government
June 30, 2020

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 290,477,431
Investments	253,708,979
Receivables (net of allowance of \$54,758,123)	69,320,256
Other	3,052,917
Total current assets	616,559,583
Noncurrent assets:	
Receivables (net of allowance of \$63,801)	111,806
Other	4,001,721
Restricted assets:	
Cash and cash equivalents	68,852,982
Investments	32,616,059
Receivables (net of allowance of \$458,409)	1,249,433
Other	3,400
Capital assets, not being depreciated	89,052,860
Depreciable capital assets, net of depreciation	642,285,016
Total noncurrent assets	838,173,277
Total assets	1,454,732,860
 Deferred Outflows of Resources	
Deferred charges on refunded bonds	5,532,662
Deferred outflows related to pensions	53,857,701
Total deferred outflows of resources	59,390,363
 Liabilities	
Current liabilities:	
Accounts payable	17,223,389
Accrued liabilities	68,743,669
Deposits held in custody for others	1,762,172
Interest payable	6,591,363
Unrealized revenues	2,136,598
Long-term liabilities - current portion	71,397,276
Total current liabilities	167,854,467
Noncurrent liabilities:	
Long-term liabilities	270,127,595
Net pension liability	485,934,650
Compensated absences	31,126,345
Total noncurrent liabilities	787,188,590
Total liabilities	955,043,057
 Deferred Inflows of Resources	
Deferred inflows related to pensions	56,742,229
Deferred grant receipts	23,786
Total deferred inflows of resources	56,766,015
 Net Position	
Net investment in capital assets	397,965,473
Restricted:	
Nonexpendable:	
Endowments	227,798
Student loans	199,924
Expendable:	
Scholarships	940,466
Grants and contracts	31,423,384
Student loans	14,644
Debt service	62,840,188
Capital projects	21,307,470
Unrestricted	(12,605,196)
Total net position	\$ 502,314,151

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Financial Position – Component Unit
June 30, 2020

	Maricopa County Community College District Foundation
Assets	
Cash and cash equivalents	\$ 1,566,927
Pledges receivable, net of discount and allowance	600,492
Investments	42,076,212
Cash held for endowment purposes	928,731
Cash surrender value of life insurance	261,441
Other assets	31,528
Total assets	\$ 45,465,331
Liabilities and Net Assets	
Accounts and scholarships payable	\$ 664,925
Charitable gift annuity liability	297,119
Deferred revenue	184,700
Total liabilities	1,146,744
Net assets:	
Without donor restrictions	2,675,566
With donor restrictions	41,643,021
Total net assets	44,318,587
Total liabilities and net assets	\$ 45,465,331

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Revenues, Expenses, and Changes in Net Position –
Primary Government
Through June 30, 2020

	<u>Business-Type Activities</u>
Operating revenues:	
Tuition and fees (net of scholarship allowance of \$71,960,310)	\$ 148,242,809
Other	9,100,514
Total operating revenues	<u>157,343,323</u>
Operating expenses:	
Educational and general:	
Instruction	273,760,850
Public service	17,998,748
Academic support	88,685,518
Student services	76,148,564
Institutional support	183,448,409
Operation and maintenance of plant	88,546,740
Student financial assistance	97,523,235
Auxiliary enterprises	45,265,793
Depreciation	52,129,906
Total operating expenses	<u>923,507,763</u>
Operating loss	<u>(766,164,440)</u>
Nonoperating revenues (expenses):	
Property taxes	579,335,424
State appropriations	7,400,000
State-shared sales tax	13,452,148
Government grants and contracts	171,092,323
Private grants and contracts	3,747,023
Private gifts	16,592,374
Investment earnings, net of investment expense	12,207,503
Interest expense on debt	(9,146,263)
Loss on sale/disposal of capital assets	(183,280)
Total nonoperating revenues	<u>794,497,252</u>
Income before other revenues, expenses, gains, or losses	28,332,812
Capital grants and gifts	187,953
Change in net position	<u>28,520,765</u>
Total net position July 1, 2019	<u>473,793,386</u>
Total net position June 30, 2020	<u>\$ 502,314,151</u>

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Activities and Change in Net Assets – Component Unit
For the Year Ended June 30, 2020

Maricopa County Community College District Foundation

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ -	\$ 3,489,680	\$ 3,489,680
Contributed space and services	1,194,247	-	1,194,247
Investment return	614,842	(543,533)	71,309
Change in cash surrender value of life insurance	-	(30,643)	(30,643)
Net assets released from restrictions	3,904,296	(3,904,296)	-
Total support and revenue	<u>5,713,385</u>	<u>(988,792)</u>	<u>4,724,593</u>
Expenses and gains:			
Program support	980,156	-	980,156
Scholarship expenses	2,778,461	-	2,778,461
Salaries, wages, and benefits	1,039,282	-	1,039,282
Office space	154,965	-	154,965
Professional services	179,356	-	179,356
Office expenses	40,888	-	40,888
Information technology	102,383	-	102,383
Community engagement	84,061	-	84,061
Other expenses	38,670	-	38,670
Total expenses	<u>5,398,222</u>	<u>-</u>	<u>5,398,222</u>
Gain on uncollectible pledges	-	112,307	112,307
Total expenses and gains	<u>5,398,222</u>	<u>(112,307)</u>	<u>5,285,915</u>
Change in net assets	315,163	(876,485)	(561,322)
Net assets, beginning of year	<u>2,360,403</u>	<u>42,519,506</u>	<u>44,879,909</u>
Net assets, end of year	<u>\$ 2,675,566</u>	<u>\$ 41,643,021</u>	<u>\$ 44,318,587</u>

See accompanying notes to financial statements.

**Maricopa County Community College District
Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	Business-Type Activities
Tuition and fees	\$ 147,820,964
Payments for employee wages and benefits	(596,454,620)
Payments to providers of goods and services	(182,960,088)
Payments to students for grants and scholarships	(102,802,198)
Other receipts	8,812,372
Net cash used for operating activities	(725,583,570)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	576,570,560
State appropriations	7,400,000
State-shared sales tax	12,988,416
Grants and contracts	170,231,840
Federal student loans received	48,239,353
Federal student loans disbursed	(48,239,353)
Deposits held by others received	1,444,966
Deposits held by others disbursed	(1,807,771)
Gifts received for other than operating or capital purposes	16,592,374
Net cash provided by noncapital financing activities	783,420,385
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	28,103
Purchase of capital assets	(21,239,945)
Principal paid on capital debt and leases	(68,290,000)
Interest paid on capital debt and leases	(14,556,625)
Net cash used for capital and related financing activities	(104,058,467)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net proceeds from sales and maturities of investments	(22,108,769)
Interest received on investments	9,050,684
Net cash provided by investing activities	(13,058,085)
Net increase in cash and cash equivalents	(59,279,737)
Cash and cash equivalents - beginning of year	418,610,150
Cash and cash equivalents - end of year	\$ 359,330,413

(continued)

See accompanying notes to financial statements.

Statement of Cash Flows (continued)

Reconciliation of operating loss to net cash used for operating activities:

Operating loss	\$ (766,164,440)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	52,129,906
Expenses (related to revenue) for donations of non-capitalized items	187,953
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Net Pension Liability	(7,755,428)
Deferred outflows of resources related to pensions	12,115,741
Deferred inflows of resources related to pensions	(15,323,534)
Receivables	(326,661)
Other assets	(1,063,240)
Student loans receivable	790
Accounts payable	3,942,563
Accrued liabilities	(4,951,962)
Unrealized revenue	(421,845)
Compensated absences	2,046,587
Net cash used for operating activities	<u>\$ (725,583,570)</u>

Noncash transactions:

Increase in fair value of investments. The fair value of investments increased by \$3,159,779.

Loss on sale of capital assets. The District incurred a loss of \$211,383 on the sale or disposal of capital assets.

Gifts of depreciable and non-depreciable assets. The District recorded the receipt of gifts of depreciable and non-depreciable assets of \$187,953.

Amortization of premium on bonds and deferred charges. The District amortized \$5,142,995 of bond premiums and \$1,106,532 of deferred charges.

See accompanying notes to financial statements.

Maricopa County Community College District
Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1 - Summary of Significant Accounting Policies

The accounting policies of the Maricopa County Community College District (the District) conform to generally accepted accounting principles applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

Reporting Entity - The District is a special-purpose government that is governed by a separately elected governing body (the Board). It is legally separate and fiscally independent of other state and local governments. The District is not included in any other governmental reporting entity. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Maricopa County Community College District Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the District for scholarships and programs. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by, or for the benefit of the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows Financial Accounting Standards Board (FASB) statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the District. For financial reporting purposes, only the Foundation's statements of financial position and activities, as well as relevant notes to the financial statements, are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2020, the Foundation distributed \$3,758,617 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14th Street, Tempe, AZ 85281.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation and Accounting - The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows.

The Statement of Net Position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding liabilities incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and sales of auxiliary services, are considered to be operating revenues. Other revenues, such as property taxes and educational grants, are not generated from exchange transactions and are considered to be nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be nonoperating expenses. When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first. Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity, have been eliminated for financial statement purposes.

The Statement of Cash Flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital and related financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents - For the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash in the bank, cash and investments held by the County Treasurer, investments in the State Treasurer’s Local Government Investment Pool 7, and some investments purchased on behalf of the District by its investment manager. Cash equivalents are defined as investments with maturities of three months or less from the date of acquisition by the District.

Investments - Investments are reported at fair value at fiscal year-end.

Capital Assets - Capital assets of the District consist of land, buildings, improvements other than buildings, equipment, intangibles, and library books. Capital assets are stated at cost at date of acquisition, or acquisition value at date of donation in the case of gifts. Major outlays for assets or improvements to assets are capitalized as projects are constructed. These are categorized as construction in progress until completed, at which time they are reclassified to the appropriate asset type. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	All	Not applicable	Not applicable
Buildings	\$100,000	Straight-line	40 years
Improvements other than buildings	\$5,000	Straight-line	20 years
Equipment	\$5,000	Straight-line	4-10 years
Intangibles (software)	\$5,000	Straight-line	4-10 years
Library books	All	Straight-line	10 years

Compensated Absences - Compensated absences consists of vacation and sick leave earned by employees based on services already rendered. Employees may accumulate vacation balances depending on the years of service, but any vacation hours in excess of the maximum amount that are unused at calendar year-end are forfeited. Sick leave benefits provide for ordinary sick pay and are cumulative. Sick leave balances are paid to a maximum amount at retirement or death for employees having at least 10 years of service. Accordingly, these benefits are accrued as a liability in the financial statements.

Deferred Outflows and Inflows of Resources - The Statement of Net Position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

NOTE 1 - Summary of Significant Accounting Policies (continued)

For advanced refundings resulting in defeasance of debt, the difference between the reacquisition price and net carrying amount of the old debt is deferred and amortized as a component of interest expense over the life of the refunded debt or the refunding debt, whichever is shorter.

Scholarship Allowances - Scholarship allowances represent the difference between the stated charge for goods and services provided by the District and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid such as Pell grants and scholarships awarded by the District, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in addition to student financial assistance and auxiliary enterprises expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

Investment Earnings - Investment earnings are composed of interest, dividends, and net changes in the fair value of applicable investments.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires certain public monies to be collected by and deposited with the Maricopa County Treasurer. Such monies are the special tax levy for the District's maintenance and operation and secondary levy collections for the District's principal and interest payments on general obligation bonded indebtedness.

The statutes do not require the District to deposit other public monies with the County Treasurer; however, the District must act as a prudent person dealing with the property of another by following the statutory guidelines for investment decisions. The District invests in U.S. government securities, the State Treasurer's Local Government Investment Pools, corporate bonds, insured or collateralized deposits, and certificates of deposit. Equity mutual funds held by the District are the result of donations by third parties. The statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. The statutes do not include any requirements for credit risk, custodial credit risk, interest rate risk, concentration of credit risk, or foreign currency risk for the District's investments.

NOTE 2 - Deposits and Investments (continued)

Deposits

At June 30, 2020, total cash on hand was \$169,500. The carrying amount of bank deposits on the District's accounting system was \$38,066,002. At June 30, 2020, the District's bank balance was \$43,949,326. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. The District does not have a formal policy with respect to custodial credit risk.

Investments

The District had total investments of \$607,419,949 at June 30, 2020. The District's investments at June 30, 2020, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<u>Investments by fair value level</u>	<u>Amount</u>	<u>Fair value measurement using</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
U.S. agency securities	\$123,405,528	\$ -	\$123,405,528
U.S. Treasury securities	143,082,432	143,082,432	-
Corporate bonds	21,948,281	-	21,948,281
Mutual funds – equity	138,392	-	138,392
Total investments categorized by fair value level	<u>\$288,574,633</u>	<u>\$143,082,432</u>	<u>\$145,492,201</u>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued as follows: U.S. agency securities are evaluated on either a price or spread basis as determined by the observed market data; and corporate bonds from interpretations of accepted Wall Street conventions.

The District also had the following investments in external investment pools measured at fair value:

	<u>Amount</u>
State Treasurer's investment pool 7	\$313,911,193
State Treasurer's investment pool 700	111,883
County Treasurer's investment pools	<u>4,702,372</u>
Total external investment pools measured at fair value	<u>\$318,725,448</u>

NOTE 2 - Deposits and Investments (continued)

The District also had the following investments measured at amortized cost, Money Market Fund FI with a balance of \$119,868.

Investments in the State Treasurer’s investment pools are valued at the pool’s share price multiplied by the number of shares the District held. The fair value of a participant’s position in the pools approximates the value of that participant’s pool shares. The investments in the County Treasurer’s pools are valued using the District’s proportionate participation in the pools because the pools’ structure does not provide for shares.

The State Board of Investment provides oversight for the State Treasurer’s pools. No comparable oversight is provided for the Maricopa County Treasurer’s investment pools.

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2020, credit risk for the District’s investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
State Treasurer’s investment pool 7	Unrated	Not applicable	\$313,911,193
State Treasurer’s investment pool 700	Unrated	Not applicable	111,883
County Treasurer’s investment pools	Unrated	Not applicable	4,702,372
U.S. agency securities	Aaa	Moody’s	92,663,182
U.S. agency securities	P-1	Moody’s	30,742,346
Corporate bonds	Aa1	Moody’s	8,988,595
Corporate bonds	Aa2	Moody’s	9,931,030
Corporate bonds	Aaa	Moody’s	3,028,656
Money Market Fund FI	Aaa	Moody’s	119,868
Total			<u>\$464,199,125</u>

Concentration of Credit Risk - The District does not have a formal policy with respect to concentration of credit risk. The District had investments at June 30, 2020, of 5 percent or more in Federal Home Loan Bank. These investments were 12 percent of the District’s total investments.

Interest Rate Risk - The District’s policy states maturities shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. At June 30, 2020, the District had the following investments in debt securities:

NOTE 2 - Deposits and Investments (continued)

<u>Investment Type</u>	<u>Amount</u>	Weighted Average Maturity (Months)
State Treasurer's investment pool 7	\$313,911,193	1.50
State Treasurer's investment pool 700	111,883	71.00
County Treasurer's investment pools	4,702,372	30.77
Money Market Fund FI	119,868	0.00
U.S. agency securities	123,405,528	15.75
U.S. Treasury securities	143,082,432	12.55
Corporate bonds	21,948,281	19.63
Total	<u>\$607,281,557</u>	

The District's portfolio weighted average maturity is 7.90 months.

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position follows:

Cash, deposits and investments:		Statement of Net Position:	
Cash on hand	\$ 169,500	Cash and cash equivalents	\$290,477,431
Deposits	38,066,002	Investments	253,708,979
Investments	607,419,949	Restricted assets:	
		Cash and cash equivalents	68,852,982
		Investments	32,616,059
Total	<u>\$645,655,451</u>	Total	<u>\$645,655,451</u>

NOTE 3 - Current Receivables

A schedule of the District's current receivables by type, shown net of related allowances, follows:

Property taxes (net of allowance of \$3,045,718)	\$ 8,224,475
Government grants	33,493,308
Private grants and contracts (net of allowance of \$183,957)	9,647,115
Student accounts (net of allowance of \$51,463,490)	16,423,752
Other (net of allowance of \$64,958)	1,531,606
Total current receivables	<u>\$ 69,320,256</u>

NOTE 3 - Current Receivables (continued)

Property Taxes - The Maricopa County Treasurer is responsible for the collection of property taxes for all governmental entities within the County. The property taxes due the District are levied in August by the County and are payable in two equal installments. The first installment is due on October first and becomes delinquent after the first business day of November. The second installment is due on March first of the following year and becomes delinquent after the first business day in May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy. Property taxes receivable consist of uncollected property taxes as determined from the records of the Maricopa County Treasurer's Office.

NOTE 4 - Capital Assets

The following is a summary of changes in capital assets during the fiscal year:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Capital assets not being depreciated:				
Land	\$ 74,475,007	\$ -	\$ -	\$ 74,475,007
Construction in progress	4,451,920	16,196,212	6,070,279	14,577,853
Total capital assets not being depreciated	<u>78,926,927</u>	<u>16,196,212</u>	<u>6,070,279</u>	<u>89,052,860</u>
Capital assets being depreciated:				
Buildings	1,035,033,657	4,357,248	2,200	1,039,388,705
Equipment	160,015,476	7,748,968	5,888,145	161,876,299
Intangibles (software)	65,816,936	-	-	65,816,936
Improvements other than buildings	157,815,184	182,437	-	157,997,621
Library books	10,176,348	782,076	1,669,270	9,289,154
Total capital assets being depreciated	<u>1,428,857,601</u>	<u>13,070,729</u>	<u>7,559,615</u>	<u>1,434,368,715</u>
Less accumulated depreciation for:				
Buildings	474,333,844	30,742,211	1,759	505,074,296
Equipment	138,694,579	9,819,586	3,940,722	144,573,443
Intangibles (software)	31,533,400	4,341,089	-	35,874,489
Improvements other than buildings	94,064,753	6,532,621	-	100,597,374
Library books	6,718,732	694,399	1,449,034	5,964,097
Total accumulated depreciation	<u>745,345,308</u>	<u>52,129,906</u>	<u>5,391,515</u>	<u>792,083,699</u>
Total capital assets being depreciated, net	<u>683,512,293</u>	<u>(39,059,177)</u>	<u>2,168,100</u>	<u>642,285,016</u>
Capital assets, net	<u>\$ 762,439,220</u>	<u>\$ (22,862,965)</u>	<u>\$ 8,238,379</u>	<u>\$ 731,337,876</u>

The District has active construction projects with a remaining contractual commitment at June 30, 2020, of \$99,491.

NOTE 5 - Long-term Liabilities

The following schedule details the long-term liability activity for the year ended June 30, 2020.

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due within one year</u>
Bonds payable:					
General obligation bonds	\$ 380,740,000	\$ -	\$ 68,290,000	\$ 312,450,000	\$ 62,385,000
Premium on general obligation bonds	30,348,585	-	5,142,995	25,205,590	5,142,995
Total bonds payable	<u>411,088,585</u>	<u>-</u>	<u>73,432,995</u>	<u>337,655,590</u>	<u>67,527,995</u>
Net pension liability	493,690,078	-	7,755,428	485,934,650	-
Compensated absences	32,949,039	6,237,052	4,190,465	34,995,626	3,869,281
Total long-term liabilities	<u>\$ 937,727,702</u>	<u>\$ 6,237,052</u>	<u>\$ 85,378,888</u>	<u>\$ 858,585,866</u>	<u>\$ 71,397,276</u>

Legal Debt Margin

The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2019-20, the District could issue an additional \$6.2 billion of debt and remain within the legal debt margin. See Statistical Section – Computation of Legal Debt Margin for details.

Bonds Payable

The District’s bonded debt consists of various issues of general obligation bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 2004 (\$951,359,000), \$3,000 of authorization remains unissued. The District repays general obligation bonds from voter-approved property taxes; however, the District has no current liability for arbitrage. Federal arbitrage regulations are applicable to all of the District’s bond issues. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2020, were as follows:

<u>Description</u>	<u>Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
Project of 2004, Series D (2011)	150,000,000	7/01/2020-22	3.00-4.00%	54,945,000
Series 2013	151,090,000	7/01/2020-27	3.00-3.50%	97,685,000
Refunding Series B, C, D (2016)	191,260,000	7/01/2020-25	5.00%	159,820,000
			Total	<u>\$312,450,000</u>

NOTE 5 - Long-term Liabilities (continued)

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2020.

Year Ending June 30:	General Obligation Bonds		Total Debt Service Requirements
	Principal	Interest	
2021	\$ 62,385,000	\$ 11,820,925	\$ 74,205,925
2022	65,350,000	9,035,025	74,385,025
2023	49,130,000	6,624,275	55,754,275
2024	48,265,000	4,550,950	52,815,950
2025	29,705,000	2,845,200	32,550,200
2026-2028	57,615,000	2,521,463	60,136,463
Total	<u>\$ 312,450,000</u>	<u>\$ 37,397,838</u>	<u>\$ 349,847,838</u>

Description of Issues

General Obligation Refunding Bonds, Project of 2004, Series B, C, D (2016)

In August 2016, the District issued \$191,260,000 of general obligation refunding bonds to refund \$73,810,000 G.O. Bonds, Series B (2007); \$80,190,000, Series C (2009); and \$62,055,000, Series D (2011). The net proceeds were placed in the Depository Trust Fund to be used to refund the bonds being refunded. The General Obligation Refunding Bonds of 2016 are not subject to early redemption prior to their stated maturity dates.

General Obligation Bonds, Project of 2004, Series D (2011)

In May 2011, the District issued \$150,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2021 are noncallable. Bonds maturing on or after July 1, 2022 are subject to early redemption. The principal balance of the defeased bonds outstanding at June 30, 2020 is \$21,650,000.

General Obligation Bonds, Series 2013

In June of 2013, the District issued \$151,090,000 of general obligation bonds. These bonds were issued to make certain improvements to the district's educational facilities, purchase equipment, and pay costs relating to the issuance of the Bonds. Bonds maturing before July 1, 2023 are noncallable. Bonds maturing on or after July 1, 2024 are subject to early redemption.

NOTE 6 - Pension

Plan Description - District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits Provided - The ASRS provides retirement and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	<u>Before July 1, 2011</u>	<u>On or after July 1, 2011</u>
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 11.94 percent of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.45 percent of the active members’ annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.29 percent of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District’s contributions to the pension plan for the year ended June 30, 2020, were \$42,946,457.

NOTE 6 - Pension (continued)

Pension Liability - At June 30, 2020, the District reported a liability of \$485,934,650 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The District's proportion measured as of June 30, 2019, and the change from its proportions measured as of June 30, 2018, was 3.33949 percent, which was a decrease of 0.2004 from its proportion measured as of June 30, 2018.

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2020, the District recognized pension expense for ASRS of \$33,587,839. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,778,538	\$ 91,360
Net difference between projected and actual investment earnings on pension plan investments		10,922,132
Change of assumptions	2,054,061	19,350,871
Changes in proportion and differences between district contributions and proportionate share of contributions	78,645	26,377,866
District contributions subsequent to the measurement date (fiscal year 2020 district contributions)	42,946,457	
Total	<u>\$53,857,701</u>	<u>\$56,742,229</u>

NOTE 6 - Pension (continued)

The \$42,946,457 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ (24,463,680)
2022	(22,195,037)
2023	(2,097,512)
2024	2,925,244

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7–7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	6.09%
Credit	20%	5.36%
Interest rate sensitive bonds	10%	1.62%
Real estate	<u>20%</u>	5.85%
Total	<u>100%</u>	

NOTE 6 - Pension (continued)

Discount Rate – The discount rate used to measure the ASRS total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 691,597,563	\$ 485,934,650	\$ 314,053,384

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

Pension Contributions Payable - The District’s accrued payroll and employee benefits included no outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2020.

NOTE 7 - Operating Expenses

The District’s operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position – Primary Government. The operating expenses can also be classified into the following:

Salaries and benefits	\$ 581,187,074
Financial aid	103,771,771
Contract services	96,419,202
Depreciation	52,129,906
Noncapitalized equipment	38,874,388
Communications, utilities, and travel	20,231,942
Supplies and materials	18,118,239
Subscriptions, dues, insurance, and rentals	12,775,241
Total operating expenses	<u><u>\$ 923,507,763</u></u>

The District uses credit cards to pay certain vendors for goods and services. The District received \$234,975 in rebates resulting from credit card payments for the year ended June 30, 2020.

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to legal liability, property, errors and omissions, and injuries to employees. The District carries commercial insurance for all such risks of loss. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The District finances uninsured risks of loss for certain health benefits to eligible employees and their dependents. The healthcare plan provides coverage for amounts up to \$395,000 per claim. The District purchases commercial insurance for claims in excess of this limit and utilizes a consultant to determine the required annual funding based upon anticipated utilization, cost trends, and benefit levels. Independent administrators provide claim and recordkeeping services for each self-insured plan. The District self-insures workers’ compensation claims up to \$450,000 and purchases commercial insurance for claims exceeding \$450,000. Settled claims for workers’ compensation and health benefits have not exceeded the District’s commercial insurance coverage in any of the past three fiscal years.

The insurance claims payable of \$7,672,098 at June 30, 2020, includes the amounts payable for both health benefits and workers’ compensation. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The District’s claims payable for the fiscal years ended June 30, 2019 and June 30, 2020 are as follows:

NOTE 8 - Risk Management (continued)

<u>Health Benefits:</u>	<u>2020</u>	<u>2019</u>
Claims payable, beginning of year	\$ 5,699,000	\$ 6,515,000
Current year actual and estimated claims	66,570,936	56,301,856
Less: Claim payments	<u>(65,415,936)</u>	<u>(57,117,856)</u>
Claims payable, end of year	<u>\$ 6,854,000</u>	<u>\$ 5,699,000</u>
<u>Workers' Compensation:</u>	<u>2020</u>	<u>2019</u>
Claims payable, beginning of year	\$ 640,089	\$ 793,781
Current year actual and estimated claims	689,848	496,774
Less: Claim payments	<u>(511,839)</u>	<u>(650,466)</u>
Claims payable, end of year	<u>\$ 818,098</u>	<u>\$ 640,089</u>

NOTE 9 - Contingencies and Litigation

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses based on information currently available is \$316,000. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. Other reasonably possible claims have been estimated to be \$165,616. Management through legal counsel will seek denial of the claims. Management believes that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

NOTE 10 - Discretely Presented Component Unit Disclosures

The District's discretely presented component unit is comprised of the Maricopa County Community College District Foundation.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation are as follows:

Basis of presentation - The financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, the Foundation is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation maintains its accounts on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grants. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions - The Foundation adopted the amendments of FASB Accounting Standards Update (“ASU”) No. 2018-08, *Not-For-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* effective July 1, 2019 on a modified prospective basis for contributions received. ASU 2018-08 clarifies the characterization of grants as either reciprocal transaction (exchanges) or nonreciprocal transactions (contributions). ASU 2018-08 also provides additional guidance to distinguish between conditional and unconditional contributions. In accordance with ASU 2018-08, the Foundation evaluates grants and contributions for evidence of the transfer of commensurate value from the Foundation to the grantor or resource provider. The transfer of commensurate value from the Foundation to the grantor or resource provider may include instances when a) the goods or services provided by the Foundation directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by the Foundation. When such factors exist, the Foundation accounts for the grants or contributions as exchange transactions under ASC 606, *Revenue from Contracts with Customers*, or other appropriate guidance. In the absence of these factors, the Foundation accounts for the award under the contribution accounting model.

In the absence of the transfer of commensurate value from the Foundation to the resource provider, the Foundation evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for the Foundation or the right of return to the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both the Foundation and resource provider whether the threshold has been met and when. These factors may include measurable performance thresholds or limited discretion on the part of the Foundation to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

The Foundation recognizes amounts received from unconditional contributions at the time the Foundation receives notification of the award. Contributions that include conditions imposed by the grantor or resource provider are recognized when those conditions are met by the Foundation.

The Foundation accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

Contributions received without donor restrictions are distributed as scholarships, as designated by the Board of Directors of the Foundation, or used to further the objectives of the Foundation and to secure current or future endowments through fundraising activities and programs. Contributions received with donor restrictions are distributed according to donor specification, generally as scholarships to attendees of Maricopa County Community Colleges or to support programs and projects to advance these colleges. Contributions received with donor restrictions that are perpetual in nature require the principal be invested in perpetuity; the distributable income from the related investments is reflected as net assets with donor restrictions in the statement of activities and change in net assets as specified by the donor.

Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Foundation's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

Administration Fees - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A fee of 2% is charged on all new gifts, except endowment gifts. On January 1st of each year, an investment management fee of 200 basis points is charged on all accounts. This fee is not charged to endowment funds, if doing so would reduce the fund below its corpus. During the year ended June 30, 2020, the Board of Directors approved a transfer of operational reserves of \$446,379 to effectively offset administration fees charged to the funds. Total fees of \$592,058 were charged by the Foundation and this resulted in the net assets of \$145,679 to be released from restriction for the year ended June 30, 2020.

Investments - The Foundation accounts for its investments in accordance with FASB ASC 958-321, Not-for-Profit Entities – Investments – Equity Securities and FASB ASC 958-325, Not-for-Profit Entities – Investments – Other. In accordance with FASB ASC 958-320, the Foundation carries its investments in equity securities that have readily determinable fair values, at fair value. In accordance with FASB ASC 958-325, the Foundation has elected to carry its other investments at fair value.

The combined individual funds participate in a common equity investment pool (the “Pool”) by contributing their investable assets and receiving an ownership interest in the Pool. The ownership interest in the Pool is based on the ratio of the market value of the individual fund’s investable assets to the total market value of the Pool. The ratio is used to allocate earnings activities among individual general and endowment funds.

Fair value measurements - FASB ASC 820, *Fair Value Measurement*, establishes a common definition for fair value to be applied under GAAP requiring the use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

Income tax status - The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and, therefore, there is no provision for income taxes for the entity. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 of the Code and has been deemed not to be a private foundation. Income determined to be unrelated business taxable income (“UBTI”) would be taxable. Management believes that none of the income in 2020 is UBTI.

Recent accounting pronouncement - In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, that will supersede most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized.

In August 2015, the FASB issued FASB ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which changed the effective date of the provisions of FASB ASU No. 2014-09. As a result, the new effective dates for public business entities, certain not-for-profit entities, and certain employee benefit plans to apply the guidance in FASB ASU No. 2014-09 is for annual reporting periods beginning after December 15, 2017. All other entities should apply the guidance in FASB ASU No. 2014-09 to annual reporting periods beginning after December 15, 2018. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016. Transition to the new guidance may be done using either a full or modified retrospective method. The Foundation adopted this standard as of July 1, 2019, using a modified retrospective approach, and the guidance is applied to the most current period presented, recognizing the cumulative effect of the adoption change as an adjustment to beginning net assets. The timing of revenue recognition was not affected by the adoption of Topic 606. As a result, there were no adjustment to net assets as of July 1, 2019.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 is intended to clarify current guidance about whether a transfer of assets is a contribution or an exchange transaction. ASU 2018-08 in which an entity is the resource recipient is effective for annual periods beginning after December 15, 2018. The amendments of ASU 2018-08 in which the entity is the resource provider is effective for annual periods beginning after December 31, 2019. Early adoption is permitted. The Foundation adopted the amendments of the ASU for which the Foundation is the resource recipient during 2020 using the modified prospective approach. There was no impact on the Foundation's financial statements as a result of adoption. The Foundation is currently evaluating the effect that the adoption of the amendments of the ASU in which the Foundation is the resource provider will have on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the balance sheet upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and change in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Foundation is currently evaluating the effect that the adoption of this standard will have on the financial statements.

In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (topic 606) and Leases (Topic 842)*, which allows certain entities to elect to defer the effective date of provisions of FASB ASU No. 2014-09 and ASU No. 2016-02. These entities may elect to adopt the guidance for revenue for annual reporting periods beginning after December 15, 2019. Additionally, under the amendments, entities may elect to adopt the lease guidance for fiscal years beginning after December 15, 2021.

NOTE 10 b - Pledges Receivable

Pledges receivable consist of the following at June 30, 2020:

Pledges receivable:	
Receivable in less than one year	\$ 379,463
Receivable in one to five years	244,300
Receivable in more than five years	<u>26,500</u>
Total pledges receivable	650,263
Less discounts to net present value	(36,766)
Less allowance for uncollectable pledges	<u>(13,005)</u>
Net pledges receivable	<u>\$ 600,492</u>

Pledges receivable that are expected to be collected in more than one year have been discounted to their present value using a discount rate of 2%.

NOTE 10 c - Investments

Investments consist of the following at June 30, 2020:

Equity funds:	
Common stock funds - United States	\$ 5,463,880
Common stock funds - emerging markets	517,509
Common stock funds - international	2,303,211
Exchange traded funds – global region	1,369,562
Exchange traded funds – international	2,139,471
Exchange traded funds – United States	4,511,750
Fixed Income funds:	
Government agencies - United States	10,455,945
Corporate bonds - United States	3,439,001
Exchange traded funds – fixed income	3,443,146
Real estate funds – United States	737,458
Partnerships:	
Partnerships – United States	6,576,089
Hedge funds:	
Hedge equity funds - United States	<u>1,119,190</u>
Total investments	<u>\$ 42,076,212</u>

NOTE 10 c - Investments (continued)

The following summarizes investment return for the year ended June 30, 2020:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Interest and dividends	\$ 331,650	\$ 753,668	\$ 1,085,318
Net realized and unrealized gains (losses)	322,607	(1,185,773)	(863,166)
Brokerages fees	<u>(39,415)</u>	<u>(111,428)</u>	<u>(150,843)</u>
Total	<u>\$ 614,842</u>	<u>\$ (543,533)</u>	<u>\$ 71,309</u>

Investment earnings from endowments are classified as net assets with donor restrictions.

NOTE 10 d - Contributed Services

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge. The fair value of the contributed use of office space totaled \$154,965 for the year ended June 30, 2020. The contributed services received by the Foundation were measured at the cost recognized by the District for the personnel providing the administrative services, which totaled \$1,039,282 for the year ended June 30, 2020. These amounts are reflected in the statement of activities and change in net assets as contributed space and services.

NOTE 10 e - Fair Value Measurements

The following table sets forth the level, within the fair value hierarchy of the Foundation's assets and liabilities subject to recurring fair value measurement, including investments measured at net asset value ("NAV") as a practical expedient, as of June 30, 2020:

NOTE 10 e - Fair Value Measurements (continued)

	Level 1	Investments Measured at NAV	Total
Equity funds:			
Common stock funds -			
United States	\$ 2,437,505	\$ 3,026,375	\$ 5,463,880
Common stock funds –			
emerging markets	517,509	-	517,509
Common stock funds -			
international	-	2,303,211	2,303,211
Exchange traded funds –			
global region	1,369,562	-	1,369,562
Exchange traded funds –			
international	2,139,471	-	2,139,471
Exchange traded funds –			
United States	4,511,750	-	4,511,750
Fixed Income funds:			
Government agencies –			
United States	316,114	10,139,831	10,455,945
Corporate bond - United			
States	3,439,001	-	3,439,001
Exchange traded funds –			
fixed income	3,443,146	-	3,443,146
Real estate funds - United			
States	737,458	-	737,458
Partnerships – United States	-	6,576,089	6,576,089
Hedge equity funds - United			
States	-	1,119,190	1,119,190
	<u>\$ 18,911,516</u>	<u>\$ 23,164,696</u>	<u>\$ 42,076,212</u>

The Foundation did not have any Level 2 or Level 3 investments as of June 30, 2020. The Foundation has no other assets or liabilities subject to fair value measurement other than at initial recognition.

NOTE 10 f - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2020:

Restricted for purposes or periods:	
Scholarship awards and program support	\$ 10,786,670
Accumulated endowment earnings subject to spending policy, net of losses	<u>4,095,435</u>
	14,882,105
Restricted in perpetuity:	
Pledges receivable	185,445
Cash surrender value of life insurance	261,441
Endowment fund subject to the Foundation’s spending policy	<u>26,314,030</u>
Total net assets restricted in perpetuity	<u>26,760,916</u>
Total net assets with restrictions	<u>\$ 41,643,021</u>

Net assets released from restriction for the year ended June 30, 2020 consisted of the following:

Program support	\$ 980,156
Scholarships	2,778,461
Administrative fees	<u>145,679</u>
Total net assets released from restriction	<u>\$ 3,904,296</u>

NOTE 10 g - Endowments

The Foundation’s endowments include only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

In September 2008, the State of Arizona enacted ARS§10-11801 et seq Management of Charitable Funds Act (“MCFA”). The Board of Directors of the Foundation has interpreted MCFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be held in perpetuity are classified as net assets with donor restriction for purpose or periods until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA. In accordance with MCFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

NOTE 10 g - Endowments (continued)

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

The changes in endowment net assets for the year ended June 30, 2020 are as follows:

	<u>With donor restrictions</u>
Endowment net assets, July 1, 2019	\$ 31,215,817
Contributions and pledge collections	964,252
Change in donor intent	(37,931)
Interest and dividends, net of fees	642,240
Realized and unrealized gains	(1,185,773)
Appropriation of endowment assets for expenditure	<u>(1,189,140)</u>
Endowment net assets, June 30, 2020	<u>\$ 30,409,465</u>

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, and with assistance of professional investment advisors, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that consists of equity- securities, corporate bonds, and government securities.

The Foundation's policy is to distribute, for the stated purpose of each fund, 5% for the year ended June 30, 2020 of a three-year average of the market value of each endowed fund that is above the original contributed amount as calculated at the end of each year. For funds that were below the original contributed amount, 5% of the three-year average at the end of the year were not eligible for disbursement for the year ended June 30, 2020. Actual investment earnings, in excess of (or less than) distribution, are added to (subtracted from) the endowment principal and available for future disbursements. If these amounts are not fully disbursed within a one-year period, the remaining amounts are transferred back to the endowment funds. For the year ended June 30, 2020 earnings of \$1,471,266 were eligible to be distributed. The unused funds of \$304,038 were maintained in the endowment funds

NOTE 10 g - Endowments (continued)

to be used for future disbursements as of June 30, 2020. For the year ended June 30, 2020, the Foundation transferred \$446,379 from operational reserves in order to reduce the appropriation of endowment assets for expenditures.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets without donor restrictions were \$379,832 as of June 30, 2020. The Foundation does not charge administrative fees to underwater funds, however will continue to spend for programs or scholarships as requested. These deficiencies resulted primarily from unfavorable market fluctuations. The balance of these funds as of June 30, 2020 is as follows:

Total corpus of underwater funds	\$ 5,979,883
Total fund balance of underwater funds	<u>5,600,051</u>
Total balance of underwater funds	<u>\$ 379,832</u>

Required
Supplementary
Information

**Maricopa County Community College District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2020**

Arizona State
Retirement
System

Reporting Fiscal Year
(Measurement Date)

	<u>2020</u> <u>(2019)</u>	<u>2019</u> <u>(2018)</u>	<u>2018</u> <u>(2017)</u>	<u>2017</u> <u>(2016)</u>	<u>2016</u> <u>(2015)</u>	<u>2015</u> <u>(2014)</u>	<u>2014</u> through <u>2011</u>
District's proportion of the net pension liability	3.34%	3.54%	3.67%	3.66%	3.56%	3.83%	Information Not Available
District's proportionate share of the net pension liability	\$485,934,650	\$493,690,078	\$571,750,292	\$591,099,729	\$ 554,292,685	\$567,149,473	
District's covered payroll	\$343,058,053	\$342,659,110	\$339,768,356	\$338,143,867	\$ 336,503,471	\$339,248,495	
District's proportionate share of the net pension liability as a percentage of its covered payroll	70.60%	69.41%	59.43%	57.21%	60.71%	59.82%	
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

**Maricopa County Community College District
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2020**

**Arizona
State
Retirement
System**

Reporting Fiscal Year

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 through 2009</u>
Statutorily required contribution	\$ 42,946,457	\$ 37,771,104	\$ 37,349,843	\$ 36,624,158	\$ 36,678,831	\$ 36,569,171	\$ 36,299,589	Information not available
District's contributions in relation to the statutorily required contribution	\$ 42,946,457	\$ 37,771,104	\$ 37,349,843	36,624,158	36,678,831	36,569,171	36,299,589	
District's contribution deficiency (excess)	-	-	-	-	-	-	-	
District's covered payroll	\$370,215,836	\$343,058,053	\$342,659,110	\$339,768,356	\$338,143,867	\$336,503,471	\$339,248,495	
District's contributions as a percentage of covered payroll	11.60%	11.01%	10.90%	10.78%	10.85%	10.87%	10.70%	

Supplemental Information

Maricopa County Community College District
Schedule of Revenues, Expenses, and Changes in Net Position
By College/Center
For the Year Ended June 30, 2020

	<u>Phoenix College</u>	<u>Glendale Community College</u>	<u>GateWay Community College</u>	<u>Mesa Community College</u>	<u>Scottsdale Community College</u>
Operating revenues:					
Tuition and fees, net of scholarship allowance	\$ 10,837,763	\$ 17,910,781	\$ 7,230,153	\$ 26,376,284	\$ 11,370,769
Other	353,775	399,754	593,778	695,273	254,811
Total operating revenues	<u>11,191,538</u>	<u>18,310,535</u>	<u>7,823,931</u>	<u>27,071,557</u>	<u>11,625,580</u>
Operating expenses:					
Educational and general:					
Instruction	28,549,410	46,326,989	19,853,133	52,763,922	27,390,283
Public service	385,044	145,876	94,920	404,888	46,894
Academic support	7,499,232	10,691,162	3,835,528	11,287,175	7,363,211
Student services	7,422,611	8,880,581	5,749,211	11,511,085	6,341,081
Institutional support	11,919,684	11,553,662	10,950,017	18,098,438	6,127,459
Operation and maintenance of plant	9,026,762	10,579,841	6,053,519	10,569,066	6,526,485
Student financial assistance	14,018,762	18,993,468	5,577,808	17,212,727	4,079,839
Auxiliary enterprises	1,929,151	2,108,310	12,311,127	3,260,238	2,555,409
Depreciation	5,074,113	5,102,307	6,120,604	6,749,567	5,229,150
Total operating expenses	<u>85,824,769</u>	<u>114,382,196</u>	<u>70,545,867</u>	<u>131,857,106</u>	<u>65,659,811</u>
Operating loss	<u>(74,633,231)</u>	<u>(96,071,661)</u>	<u>(62,721,936)</u>	<u>(104,785,549)</u>	<u>(54,034,231)</u>
Nonoperating revenues (expenses):					
Property taxes	48,529,764	66,024,354	45,331,794	77,507,951	45,747,409
State appropriations	666,715	1,090,720	360,173	1,266,528	491,345
State-shared sales tax	134,171	-	176,925	-	-
Government grants and contracts	24,440,185	30,646,075	16,244,336	26,863,620	6,851,373
Private grants and contracts	10,000	(5,000)	261,208	32,896	109,645
Private gifts	868,049	873,973	311,123	1,713,153	797,561
Investment earnings, net of investment expense	(24)	2,014	215	163	(80)
Interest expense on debt	-	-	-	-	-
Gain (loss) on sale/disposal of capital assets	(15,629)	(32,462)	(48,838)	(24,864)	(11,634)
Total nonoperating revenues and expenses	<u>74,633,231</u>	<u>98,599,674</u>	<u>62,636,936</u>	<u>107,359,447</u>	<u>53,985,619</u>
Income (loss) before other revenues, expenses, gains or losses	-	2,528,013	(85,000)	2,573,898	(48,612)
Capital grants and gifts	-	47,376	85,000	-	48,612
Increase in net position	<u>-</u>	<u>2,575,389</u>	<u>-</u>	<u>2,573,898</u>	<u>-</u>

See accompanying notes to supplemental information.

<u>Rio Salado College</u>	<u>South Mountain Community College</u>	<u>Chandler- Gilbert Community College</u>	<u>Paradise Valley Community College</u>	<u>Estrella Mountain Community College</u>	<u>District Support Services Center</u>	<u>Total Colleges/ Centers</u>
\$ 34,791,367	\$ 3,313,149	\$ 17,648,514	\$ 8,818,223	\$ 9,517,940	\$ 427,866	\$ 148,242,809
<u>1,803,733</u>	<u>263,116</u>	<u>403,171</u>	<u>262,866</u>	<u>381,536</u>	<u>3,688,701</u>	<u>9,100,514</u>
<u>36,595,100</u>	<u>3,576,265</u>	<u>18,051,685</u>	<u>9,081,089</u>	<u>9,899,476</u>	<u>4,116,567</u>	<u>157,343,323</u>
19,723,126	11,722,375	25,332,586	21,727,242	19,811,030	560,754	273,760,850
12,361,436	6,531	63,369	7,056	135,374	4,347,360	17,998,748
19,101,267	3,511,320	9,366,705	4,068,547	6,494,537	5,466,834	88,685,518
4,250,779	5,213,917	5,847,298	4,820,704	5,290,158	10,821,139	76,148,564
17,858,710	6,118,995	10,129,087	8,418,049	8,061,798	74,212,510	183,448,409
6,110,143	5,217,429	8,193,272	5,197,122	4,619,133	16,453,968	88,546,740
6,380,667	5,489,143	7,921,717	5,428,384	11,997,559	423,161	97,523,235
14,299,988	709,171	821,296	986,417	1,352,353	4,932,333	45,265,793
<u>1,246,416</u>	<u>2,524,272</u>	<u>5,248,856</u>	<u>4,388,476</u>	<u>3,628,325</u>	<u>6,817,820</u>	<u>52,129,906</u>
<u>101,332,532</u>	<u>40,513,153</u>	<u>72,924,186</u>	<u>55,041,997</u>	<u>61,390,267</u>	<u>124,035,879</u>	<u>923,507,763</u>
<u>(64,737,432)</u>	<u>(36,936,888)</u>	<u>(54,872,501)</u>	<u>(45,960,908)</u>	<u>(51,490,791)</u>	<u>(119,919,312)</u>	<u>(766,164,440)</u>
54,727,647	27,230,430	46,311,595	36,784,192	35,035,023	96,105,265	579,335,424
1,275,851	246,330	882,007	471,603	648,728	-	7,400,000
-	-	-	-	-	13,141,052	13,452,148
12,340,667	9,008,294	12,317,884	8,393,686	18,825,803	5,160,400	171,092,323
852,011	-	-	(10,600)	23,357	2,473,506	3,747,023
9,664,235	441,102	987,861	325,850	595,627	13,840	16,592,374
2,793	11,144	-	-	-	12,191,278	12,207,503
-	-	-	-	-	(9,146,263)	(9,146,263)
<u>27,354</u>	<u>(562)</u>	<u>(43,592)</u>	<u>(3,823)</u>	<u>(9,286)</u>	<u>(19,944)</u>	<u>(183,280)</u>
<u>78,890,558</u>	<u>36,936,738</u>	<u>60,455,755</u>	<u>45,960,908</u>	<u>55,119,252</u>	<u>119,919,134</u>	<u>794,497,252</u>
14,153,126	(150)	5,583,254	-	3,628,461	(178)	28,332,812
<u>2,142</u>	<u>150</u>	<u>4,495</u>	<u>-</u>	<u>-</u>	<u>178</u>	<u>187,953</u>
<u>14,155,268</u>	<u>-</u>	<u>5,587,749</u>	<u>-</u>	<u>3,628,461</u>	<u>-</u>	<u>28,520,765</u>
Total net position - July 1, 2019						<u>473,793,386</u>
Total net position - June 30, 2020						<u>\$ 502,314,151</u>

Maricopa County Community College District
Notes to Supplemental Information
For the Year Ended June 30, 2020

NOTE 1 - Statement of Purpose

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Position by College/Center for the Year Ended June 30, 2020, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the Higher Learning Commission (HLC), a commission of the North Central Association of Colleges and Schools (NCA). The MOU outlines an appropriate pattern of evidence to be made available by the District for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenses for each college/center within the District.

NOTE 2 - Bases of Allocations

The District receives and records property tax revenue on behalf of the colleges. For the purpose of this schedule, these revenues are allocated to the colleges on the basis of full-time student equivalents and a distribution of District Support Services Center costs. Pension expense is allocated to the colleges on the basis of pension contributions for the fiscal year.

Maricopa Skill Center, Southwest Skill Center, and Northwest Skill Center are included with GateWay Community College.



Statistical Section

The Maricopa County Community College District (the District) implemented the provisions of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

This section of the Maricopa County Community College District's comprehensive annual financial report presents detailed information as a context for further understanding of the information in the financial statements, note disclosures, and supplementary information.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.

Maricopa County Community College District
Schedule of Net Position by Component
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Net investment in capital assets	\$ 397,965	\$ 356,740	\$ 371,049	\$ 313,960	\$ 279,671
Restricted – nonexpendable	428	402	363	315	332
Restricted – expendable	116,526	127,319	107,654	115,328	109,527
Unrestricted	<u>(12,605)</u>	<u>(10,668)</u>	<u>(55,386)</u>	<u>(67,887)</u>	<u>(98,602)</u>
Total net position	<u>502,314</u>	<u>\$ 473,793</u>	<u>\$ 423,680</u>	<u>\$ 361,716</u>	<u>\$ 290,928</u>

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Net investment in capital assets	\$ 289,058	\$ 272,857	\$ 259,717	\$ 246,511	\$ 208,096
Restricted – nonexpendable	591	569	654	606	561
Restricted – expendable	104,437	105,191	106,252	134,913	157,455
Unrestricted	<u>(143,584)</u>	<u>436,819</u>	<u>428,439</u>	<u>429,800</u>	<u>397,492</u>
Total net position	<u>\$ 250,502</u>	<u>\$ 815,436</u>	<u>\$ 795,062</u>	<u>\$ 811,830</u>	<u>\$ 763,604</u>

Source: Comprehensive Annual Financial Reports for years presented.

**Maricopa County Community College District
Schedule of Expenses by Identifiable Activity
Last Ten Fiscal Years
(Dollars in Thousands)**

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Instruction	\$ 273,761	\$ 263,917	\$ 259,568	\$ 265,767	\$ 277,994
Public service	17,999	16,747	17,842	19,256	16,167
Academic support	88,685	79,667	81,846	79,601	82,490
Student services	76,149	78,808	78,458	77,676	76,318
Institutional support	183,448	159,504	131,860	120,552	111,309
Operation and maintenance of plant	88,547	81,543	58,338	52,089	76,013
Student financial assistance	97,523	77,996	81,901	79,793	86,584
Auxiliary enterprises	45,266	46,017	57,407	53,451	52,908
Depreciation	52,130	56,235	50,523	51,830	56,114
Other	-	-	3	68	217
Total operating expenses	<u>923,508</u>	<u>860,434</u>	<u>817,746</u>	<u>800,083</u>	<u>836,114</u>
Interest expense on debt	9,146	11,502	14,236	15,269	20,862
Loss on sale/disposal of capital assets	183	1,456	4,759	2,904	3,103
Total nonoperating expenses	<u>9,329</u>	<u>12,958</u>	<u>18,995</u>	<u>18,173</u>	<u>23,965</u>
Total expenses	<u><u>932,837</u></u>	<u><u>\$ 873,392</u></u>	<u><u>\$ 836,741</u></u>	<u><u>\$ 818,256</u></u>	<u><u>\$ 860,079</u></u>

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Instruction	\$ 291,503	\$ 284,652	\$ 286,661	\$ 274,682	\$ 266,455
Public service	16,380	16,811	16,797	16,239	15,979
Academic support	87,384	86,963	81,347	74,342	69,546
Student services	73,666	72,056	70,305	63,909	63,399 (1)
Institutional support	112,298	116,376	133,259	106,910	102,214
Operation and maintenance of plant	68,609	69,430	67,244	66,863	59,185
Student financial assistance	96,914	102,958	112,538	120,209	111,598 (1)
Auxiliary enterprises	50,662	48,480	53,760	50,419	43,124
Depreciation	50,077	48,271	43,893	39,048	36,744
Other	447	340	2,380	1,119	1,215
Total operating expenses	<u>847,940</u>	<u>846,337</u>	<u>868,184</u>	<u>813,740</u>	<u>769,459</u>
Interest expense on debt	22,512	24,779	22,275	23,378	24,192
Loss on sale/disposal of capital assets	875	2,397	80	564	109
Total nonoperating expenses	<u>23,387</u>	<u>27,176</u>	<u>22,355</u>	<u>23,942</u>	<u>24,301</u>
Total expenses	<u><u>\$ 871,327</u></u>	<u><u>\$ 873,513</u></u>	<u><u>\$ 890,539</u></u>	<u><u>\$ 837,682</u></u>	<u><u>\$ 793,760</u></u>

Source: Comprehensive Annual Financial Reports for years presented.

(1) As adjusted in fiscal year 2012.

Maricopa County Community College District
Schedule of Expenses by Use
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Salaries and benefits	\$ 581,187	\$ 526,941	\$ 518,498	\$ 522,950	\$ 519,206
Contract services	96,419	99,322	87,210	79,842	74,420
Financial aid	103,772	83,799	87,171	84,382	93,232
Depreciation	52,130	56,235	50,523	51,830	56,114
Communications, utilities, and travel	20,232	24,069	23,057	23,834	24,849
Noncapitalized equipment	38,875	39,611	21,339	9,166	39,659
Supplies and materials	18,118	17,873	17,343	16,438	16,788
Subscriptions, dues, insurance, and rentals	12,775	12,584	12,605	11,641	11,846
Other expenses	-	-	-	-	-
Total operating expenses	<u>923,508</u>	<u>860,434</u>	<u>817,746</u>	<u>800,083</u>	<u>836,114</u>
Interest expense on debt	9,146	11,502	14,236	15,269	20,862
Loss on sale/disposal of capital assets	183	1,456	4,759	2,904	3,103
Total nonoperating expenses	<u>9,329</u>	<u>12,958</u>	<u>18,995</u>	<u>18,173</u>	<u>23,965</u>
Total expenses	<u>\$ 932,837</u>	<u>\$ 873,392</u>	<u>\$ 836,741</u>	<u>\$ 818,256</u>	<u>\$ 860,079</u>

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Salaries and benefits	\$ 542,016	\$ 533,597	\$ 527,939	\$ 503,016	\$ 485,559
Contract services	77,727	64,118	66,826	57,597	51,583
Financial aid	103,414	110,664	120,046	127,529	118,305
Depreciation	50,077	48,271	43,893	39,048	36,744
Communications, utilities, and travel	24,421	23,310	24,897	24,512	22,562
Noncapitalized equipment	19,746	20,065	24,522	24,843	17,088
Supplies and materials	17,369	21,100	20,754	21,099	19,585
Subscriptions, dues, insurance, and rentals	10,565	10,339	9,508	10,391	9,477
Other expenses	2,605	14,873	29,799	5,705	8,556
Total operating expenses	<u>847,940</u>	<u>846,337</u>	<u>868,184</u>	<u>813,740</u>	<u>769,459</u>
Interest expense on debt	22,512	24,779	22,275	23,378	24,192
Loss on sale/disposal of capital assets	875	2,397	80	564	109
Total nonoperating expenses	<u>23,387</u>	<u>27,176</u>	<u>22,355</u>	<u>23,942</u>	<u>24,301</u>
Total expenses	<u>\$ 871,327</u>	<u>\$ 873,513</u>	<u>\$ 890,539</u>	<u>\$ 837,682</u>	<u>\$ 793,760</u>

Source: Comprehensive Annual Financial Reports for years presented.

Maricopa County Community College District
Schedule of Revenues by Source
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Tuition and fees, net of scholarship allowance	\$ 148,243	\$ 150,269	\$ 150,564	\$ 154,548	\$ 154,866
Other	9,100	10,072	10,641	8,321	18,698
Total operating revenues	<u>157,343</u>	<u>160,341</u>	<u>161,205</u>	<u>162,869</u>	<u>173,564</u>
Property taxes	579,336	564,758	545,570	536,564	527,357
State appropriations	7,400	-	-	-	-
State-shared sales tax	13,452	12,228	11,328	10,463	9,982
Government grants and contracts	171,092	151,942	156,014	156,249	167,627
Private grants and contracts	3,747	2,976	2,484	1,589	4,608
Private gifts	16,592	15,820	15,841	16,493	13,218
Investment income, net of investment expense	12,208	15,398	5,906	3,118	3,753
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	<u>803,827</u>	<u>763,122</u>	<u>737,143</u>	<u>724,476</u>	<u>726,545</u>
Total revenues	<u>\$ 961,170</u>	<u>\$ 923,463</u>	<u>\$ 898,348</u>	<u>\$ 887,345</u>	<u>\$ 900,109</u>

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Tuition and fees, net of scholarship allowance	\$ 155,484	\$ 153,195	\$ 149,178	\$ 150,443	\$ 145,711
Other	12,480	11,596	14,515	14,144	16,621
Total operating revenues	<u>167,964</u>	<u>164,791</u>	<u>163,693</u>	<u>164,587</u>	<u>162,332</u>
Property taxes	517,731	497,466	475,439	466,813	460,519
State appropriations	7,410	7,914	8,316	6,891	45,327
State-shared sales tax	9,629	8,928	7,452	7,712	7,365
Government grants and contracts	186,040	195,169	208,101	222,604	205,301
Private grants and contracts	2,567	2,454	2,872	3,601	3,892
Private gifts	13,260	14,029	10,567	10,280	10,997
Investment income, net of investment expense	2,341	2,728	1,488	2,644	1,228
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	<u>738,978</u>	<u>728,688</u>	<u>714,235</u>	<u>720,545</u>	<u>734,629</u>
Total revenues	<u>\$ 906,942</u>	<u>\$ 893,479</u>	<u>\$ 877,928</u>	<u>\$ 885,132</u>	<u>\$ 896,961</u>

Source: Comprehensive Annual Financial Reports for years presented.

Maricopa County Community College District
Schedule of Other Changes in Net Position
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Income (loss) before other changes in net position	\$ 28,333	\$ 50,071	\$ 61,607	\$ 69,088	\$ 40,029
Capital appropriations	-	-	-	-	-
Capital grants and gifts	188	42	357	1,700	396
Total change in net position	<u>\$ 28,521</u>	<u>\$ 50,113</u>	<u>\$ 61,964</u>	<u>\$ 70,788</u>	<u>\$ 40,425</u>

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Income (loss) before other changes in net position	\$ 35,614	\$ 19,966	\$ (12,611)	\$ 47,450	\$ 103,201
Capital appropriations	-	-	-	-	-
Capital grants and gifts	1,541	408	540	776	351
Total change in net position	<u>\$ 37,155</u>	<u>\$ 20,374</u>	<u>\$ (12,071)</u>	<u>\$ 48,226</u>	<u>\$ 103,552</u>

Source: Comprehensive Annual Financial Reports for years presented.

Maricopa County Community College District
Assessed Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Secondary Assessed Value as a Percent of Total Market Value
	Secured	Unsecured	Total			
2019-20	\$ 41,687,136	\$ 1,507,190	\$ 43,194,326	1.3285	\$ 552,974,238	7.8 %
2018-19	39,174,219	1,249,013	40,423,232	1.3754	508,477,424	7.9
2017-18	36,915,364	1,336,527	38,251,891	1.4096	475,077,340	8.1
2016-17	34,806,837	1,328,657	36,135,494	1.4651	443,207,235	8.2
2015-16	33,326,722	1,296,948	34,623,670	1.4940	403,013,955	8.6
2014-15	33,658,024	1,421,622	35,079,646	1.5187	339,536,632	10.3
2013-14	30,817,627	1,411,380 (1)	32,229,007	1.5340	310,300,015	10.4
2012-13	33,136,394	1,264,062	34,400,456	1.3778	321,960,274	10.7
2011-12	37,474,985	1,285,312	38,760,297	1.2082	359,682,346	10.8
2010-11	48,247,443	1,415,100	49,662,543	0.9728	444,097,352	11.2

Source: Maricopa County Department of Finance and the Maricopa County Assessor.

Note: Primary assessed values are used to determine primary levy for maintenance and operations; secondary assessed values are used to determine secondary levy for general obligation bond debt service.

Secured includes centrally valued property, real property, and secured personal property. Unsecured is unsecured personal property.

(1) The Levy Worksheets have been modified for Tax Year 2013 to combine unsecured and secured Personal Property into a single net assessed valuation for the Current Property Subject to Taxation in Prior Year, Current Net Assessed Valuation, and Prior Year Net Assessed Valuation.

**Maricopa County Community College District
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Per \$100 Assessed Valuation)**

Fiscal Year	Maricopa County Community College District Direct Rate			Overlapping Rates					
	Primary Levy	Secondary Levy	Total	Maricopa County	Education Equalization	Central Arizona Water Conservation District	Other Special Districts	School Districts	Cities
2019-20	\$ 1.1565	\$ 0.1720	\$ 1.3285	\$ 1.64	\$ 0.46	\$ 0.14	\$ 0 - 5.80	\$ 1.20 - 9.01	\$ 0 - 3.74
2018-19	1.1708	0.2046	1.3754	1.64	0.47	0.14	0 - 5.69	.99 - 10.62	0 - 3.96
2017-18	1.1956	0.2140	1.4096	1.64	0.49	0.14	0 - 6.69	.90 - 11.05	0 - 3.99
2016-17	1.2376	0.2275	1.4651	1.64	0.50	0.14	0 - 8.70	.75 - 11.10	0 - 3.97
2015-16	1.2628	0.2312	1.4940	1.58	0.51	0.14	0 - 7.12	.85 - 11.14	0 - 3.97
2014-15	1.2824	0.2363	1.5187	1.52	0.51	0.14	0 - 5.61	.77 - 10.64	0 - 3.75
2013-14	1.2896	0.2444	1.5340	1.46	0.51	0.14	0 - 5.30	.75 - 10.22	0 - 4.04
2012-13	1.1563	0.2215	1.3778	1.47	0.47	0.10	0 - 6.15	.77 - 10.45	0 - 3.89
2011-12	1.0123	0.1959	1.2082	1.47	0.43	0.10	0 - 4.05	.76 - 10.80	0 - 2.91
2010-11	0.7926	0.1802	0.9728	1.24	0.36	0.10	0 - 3.30	.71 - 10.80	0 - 2.44

Source: District records and Maricopa County Department of Finance.

Note: Tax rates for overlapping governments are rounded to the nearest cent.

**Maricopa County Community College District
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2019-20			Fiscal Year 2010-11		
	2019-2020 Secondary Assessed Value	Rank	Percentage of 2019-2020 Secondary Assessed Value	2010-2011 Secondary Assessed Value	Rank	Percentage of 2010-2011 Secondary Assessed Value
Arizona Public Service Company	\$ 1,196,202,341	1	2.11 %	\$ 1,056,401,920	1	2.13 %
Southwest Gas Corporation	185,672,729	2	0.33	159,554,727	3	0.32
Qwest Corporation	117,276,992	3	0.21	210,557,554	2	0.42
Southern California Edison Co	112,620,649	4	0.20	148,820,642	4	0.30
El Paso Electric Co	98,573,965	5	0.17	131,312,259	5	0.26
Wal-Mart Stores Inc	97,935,827	6	0.17	*		-
Verizon Wireless	84,915,616	7	0.15	*		-
Target Corporation	70,215,945	8	0.12	70,751,250	10	0.14
Public Service Company of New Mexico	64,689,698	9	0.11	77,586,994	9	0.16
Smiths Food & Drug Centers Inc	58,591,844	10	0.10	*		-
Gila River Power, LP	*		-	110,909,800	6	0.22
Intel Corporation	*		-	107,465,203	7	0.22
Mesquite Power LLC	*		-	98,154,400	8	0.20
Total Principal Taxpayers	<u>\$ 2,086,695,606</u>		<u>3.67 %</u>	<u>\$ 2,171,514,749</u>		<u>4.37 %</u>
Countywide Secondary Valuation	\$ 56,588,192,576			\$ 49,662,543,618		

* Taxpayers did not fall within the top 10 for the year identified.

Source: Maricopa County Assessor's Office.

Note: Salt River Project, a local utility, pays an in-lieu tax based on an estimated assessed valuation. The net assessed valuation for tax year 2019 is \$ 749,125,000.

**Maricopa County Community College District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy			Total Collections to Date	
	Adjustments			Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2019-20	\$ 497,266,795	\$ (1,592,652)	\$ 495,674,143	\$ 486,796,521	97.89 %	\$ -	\$ 486,796,521	98.21 %
2018-19	474,047,249	(2,057,023)	471,990,227	466,256,591	98.36	5,532,735	471,789,326	99.96
2017-18	457,154,415	(2,696,958)	454,457,457	449,084,596	98.23	5,238,696	454,323,291	99.97
2016-17	447,988,858	(3,453,353)	444,535,505	439,720,330	98.15	4,654,993	444,375,323	99.96
2015-16	438,915,649	(3,239,346)	435,676,304	431,453,800	98.30	4,123,028	435,576,828	99.98
2014-15	429,518,349	(3,720,390)	425,797,959	421,433,519	98.12	4,249,715	425,683,234	99.97
2013-14	412,859,522	(3,084,541)	409,774,981	404,645,803	98.01	5,042,599	409,688,402	99.98
2012-13	396,785,236	(4,642,750)	392,142,485	386,059,866	97.30	5,992,176	392,052,042	99.98
2011-12	389,873,218	(5,697,000)	384,176,218	377,344,288	96.79	6,727,602	384,071,890	99.97
2010-11	370,496,996	(6,838,145)	363,658,851	356,210,394	96.14	7,334,660	363,545,054	99.97

Sources: Maricopa County Treasurer and District records.

Notes: Pursuant to Arizona Revised Statutes, the amount of total primary property taxes levied is limited. Starting in fiscal year 1997-98, the District was required to publish notice of its interest to raise taxes to the levy limit and also to hold a public hearing on this proposal. The levy can grow by 2% each year.

The amounts above represent collections relative to the tax levy period, and will not match amounts presented in the financial statements.

**Maricopa County Community College District
Historic Tuition and Fees
Last Ten Fiscal Years**

District Historic Tuition and Fees

Fiscal Year	Per Credit Hour			Annual Cost Per Full-time Student	Increase	
	General Tuition	Fees	Combined Total		Dollars	Percent
2019-20	\$ 85.00	\$ -	\$ 85.00	\$ 2,550.00	\$ -	- %
2018-19	85.00	-	85.00	2,550.00	(30.00)	(1.16)
2017-18	86.00	-	86.00	2,580.00	-	-
2016-17	86.00	-	86.00	2,580.00	60.00	2.38
2015-16	84.00	-	84.00	2,520.00	-	-
2014-15	84.00	- (4)	84.00	2,520.00	90.00	3.70
2013-14	79.00	2.00	81.00	2,430.00	150.00	6.58
2012-13	74.00	2.00	76.00	2,280.00	-	-
2011-12	74.00	2.00	76.00	2,280.00	150.00	7.04
2010-11	69.00	2.00	71.00	2,130.00	-	-

**National and Statewide Comparisons
(Based on Full-time Enrollment for the Academic Year)**

Fiscal Year	Maricopa District		National Community College Average (1)		Arizona Universities Average (3)	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
2019-20	\$ 2,550.00	- %	\$ 3,722.00 (2)	12.35 %	\$ 11,968.00	3.07 %
2018-19	2,550.00	(1.16)	3,313.00	2.19	11,611.00	2.21
2017-18	2,580.00	-	3,242.00	2.72	11,360.00	2.73
2016-17	2,580.00	2.38	3,156.00	3.88	11,058.00	2.90
2015-16	2,520.00	-	3,038.00	2.81	10,746.00	3.65
2014-15	2,520.00	3.70	2,955.00	2.53	10,368.00	3.23
2013-14	2,430.00	6.58	2,882.00	3.22	10,044.00	3.81
2012-13	2,280.00	-	2,792.00	5.28	9,675.00	1.57
2011-12	2,280.00	7.04	2,652.00	8.73	9,525.00	28.53
2010-11	2,130.00	-	2,439.00	6.74	7,411.00	16.27

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Note 2: Estimates provided by U.S. Department of Education and District Budget Office.

Note 3: Arizona Board of Regents, Tuition History.

Note 4: Effective in fiscal year 2014-15, Student Activity Fees are combined with General Tuition.

Maricopa County Community College District
Schedule of Ratios of Outstanding Debt
Last Ten Fiscal Years
(Dollars in Thousands, except for per capita, per student and per FTSE)

	For the Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
General Bonded Debt					
General obligation bonds, net	\$ 337,656	\$ 411,089	\$ 482,323	\$ 552,588	\$ 607,995
Per capita	\$ 77.31	\$ 95.73	\$ 114.25	\$ 133.57	\$ 149.15
Per student	\$ 1,728.97	\$ 2,104.08	\$ 2,401.29	\$ 2,736.70	\$ 2,950.94
Per FTSE	\$ 5,004.39	\$ 6,090.39	\$ 6,856.54	\$ 7,666.85	\$ 8,457.53
Other Debt					
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Total outstanding debt	<u>\$ 337,656</u>	<u>\$ 411,089</u>	<u>\$ 482,323</u>	<u>\$ 552,588</u>	<u>\$ 607,995</u>
Per capita	\$ 77.31	\$ 95.73	\$ 114.25	\$ 133.57	\$ 149.15
Per student	\$ 1,728.97	\$ 2,104.08	\$ 2,401.29	\$ 2,736.70	\$ 2,950.94
Per FTSE	\$ 5,004.39	\$ 6,090.39	\$ 6,856.54	\$ 7,666.85	\$ 8,457.53

	For the Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
General Bonded Debt					
General obligation bonds, net	\$ 670,567	\$ 731,665	\$ 787,567	\$ 682,342	\$ 750,614
Per capita	\$ 167.28	\$ 185.47	\$ 202.74	\$ 177.54	\$ 196.29
Per student	\$ 3,114.57	\$ 3,232.04	\$ 3,309.84	\$ 2,771.90	\$ 2,940.72
Per FTSE	\$ 8,805.87	\$ 9,326.04	\$ 9,696.95	\$ 8,218.61	\$ 8,878.38
Other Debt					
Revenue bonds	\$ -	\$ -	\$ 410	\$ 1,240	\$ 12,585
Capital lease obligations	\$ -	\$ 25	\$ 49	\$ 72	\$ 94
Total outstanding debt	<u>\$ 670,567</u>	<u>\$ 731,690</u>	<u>\$ 788,026</u>	<u>\$ 683,654</u>	<u>\$ 763,293</u>
Per capita	\$ 167.28	\$ 185.48	\$ 202.85	\$ 177.88	\$ 199.60
Per student	\$ 3,114.57	\$ 3,232.15	\$ 3,311.77	\$ 2,777.23	\$ 2,990.40
Per FTSE	\$ 8,805.87	\$ 9,326.36	\$ 9,702.60	\$ 8,234.41	\$ 9,028.35

Source: Comprehensive Annual Financial Reports for years presented, Office of Employment and Population Statistics, and District records.

**Maricopa County Community College District
Revenue Bond Coverage
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues (1)	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
2019-20	241,511,136	-	-	-	-
2018-19	246,392,131	-	-	-	-
2017-18	243,481,566	-	-	-	-
2016-17	241,487,695	-	-	-	-
2015-16	255,975,215	-	-	-	-
2014-15	256,922,245	-	-	-	-
2013-14	259,054,302	-	-	-	-
2012-13	262,851,300	410,000	8,200	418,200	628.5
2011-12	272,839,165	830,000	33,000	863,000	316.2
2010-11	256,779,951	795,000	533,980	1,328,980	193.2

Source: District records.

Note: Repayment of revenue bond debt is secured by a pledge of a portion of the District's gross revenues as defined by the bond indentures.

The final revenue bond principal and interest payments were made in fiscal year 2014.

(1) Gross revenues were restated in fiscal year 2012 to reflect a more comprehensive interpretation of the term as defined by the bond indentures.

**Maricopa County Community College District
Computation of Legal Debt Margin
Last Ten Fiscal Years**

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Debt Limit	\$ 6,479,148,959	6,063,484,863	\$ 5,737,783,687	\$ 5,420,324,171	\$ 5,193,550,548
Total net debt applicable to limit	<u>250,065,000</u>	<u>312,450,000</u>	<u>380,740,000</u>	<u>445,570,000</u>	<u>534,225,000</u>
Legal debt margin	<u>\$ 6,229,083,959</u>	<u>\$ 5,751,034,863</u>	<u>\$ 5,357,043,687</u>	<u>\$ 4,974,754,171</u>	<u>\$ 4,659,325,548</u>
Total net debt applicable to the limit as a percentage of debt limit	3.86%	5.15%	6.64%	8.22%	10.29%

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Debt Limit	\$ 5,261,946,989	\$ 4,834,351,022	\$ 5,160,068,357	\$ 5,814,044,507	\$ 7,449,381,543
Total net debt applicable to limit	<u>593,820,000</u>	<u>654,215,000</u>	<u>712,783,980</u>	<u>615,066,983</u>	<u>671,250,000</u>
Legal debt margin	<u>\$ 4,668,126,989</u>	<u>\$ 4,180,136,022</u>	<u>\$ 4,447,284,377</u>	<u>\$ 5,198,977,524</u>	<u>\$ 6,778,131,543</u>
Total net debt applicable to the limit as a percentage of debt limit	11.29%	13.53%	13.81%	10.58%	9.01%

Legal Debt Margin Calculation for Fiscal Year 2019-20

Secondary Assessed Value of Real and Personal Property	\$ 43,194,326,395
Debt Limit, 15% of Secondary Assessed Value	<u>6,479,148,959</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	312,450,000
Capital Leases	-
Amount Available for Debt Repayment	<u>(62,385,000)</u>
Total Debt Applicable to Debt Limit	<u>250,065,000</u>
Legal Debt Margin	<u>\$ 6,229,083,959</u>

Note: The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2019-20, the District was at 0.58%.

**Maricopa County Community College District
Schedule of Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>County Population</u>	<u>County Personal Income (In Thousands)</u>	<u>County Income per Capita</u>	<u>Phoenix Metro Area Unemployment Rate – June</u>
2020	4,367,835	Not Available (1)	Not Available (1)	9.8 %
2019	4,294,460	Not Available (1)	Not Available (1)	4.6
2018	4,221,684	210,370,180	47,694	4.2
2017	4,137,076	196,286,191	45,573	4.5
2016	4,076,438	185,111,698	43,628	5.3
2015	4,008,651	175,437,829	42,092	5.4
2014	3,944,859	168,483,421	41,222	6.5
2013	3,884,705	160,537,029	40,003	7.3
2012	3,843,370	154,926,697 (2)	39,300 (2)	7.7
2011	3,824,058	147,724,392	38,071	9.2

Source: Arizona Department of Administration, Office of Employment and Population Statistics at www.azstats.gov, Bureau of Labor Statistics, and Bureau of Economic Analysis.

Notes: All information given for Maricopa County unless otherwise indicated.

Population figures are estimates as of July 1 of each fiscal year.

Amounts obtained are based on estimates which are periodically updated. The numbers provided reflect the most accurate estimates at the time initially presented.

(1) Information not available at date of report. Future data will be added as it becomes available.

(2) Beginning with 2012, data is taken from Bureau of Economic Analysis.

**Maricopa County Community College District
Top 10 Employers in Maricopa County
(Ranked by the number of full-time equivalent employees in Arizona)
Current Year and Nine Years Ago**

Employer	Fiscal Year 2019-20			Fiscal Year 2010-11		
	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment
Banner Health	47,000	1	2.10 %	28,220	3	1.52 %
State of Arizona	41,847	2	1.87	49,282	1	2.66
Arizona State University	35,730	3	1.60	12,221	8	0.66
Walmart Inc.	33,460	4	1.50	30,608	2	1.65
Fry's Food Stores	21,738	5	0.97	*	*	-
University of Arizona	20,462	6	0.91	*	*	-
Wells Fargo & Co.	17,217	7	0.77	13,100	5	0.71
City of Phoenix	14,858	8	0.66	15,544	4	0.84
Maricopa County	13,933	9	0.62	12,458	7	0.67
Intel Corp.	12,190	10	0.54	*	*	-
Apollo Group, Inc.	*		-	13,000	6	0.70
Raytheon Co.	*		-	12,000	10	0.65
Bank of America	*		-	12,000	9	0.65
Total Principal Employers	258,435		11.54 %	198,433		10.71 %
Total Employment in Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area as of June 30	2,237,355			1,855,523		

* Employers did not fall within the top 10 for the year identified.

Source: The Business Journal, Book of Lists.

Bureau of Labor Statistics for Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area.

**Maricopa County Community College District
Employee Statistics
Last Ten Fiscal Years**

	For the Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Faculty					
Part-time	4,230	3,550	4,258	4,458	4,822
Full-time	1,458	1,501	1,489	1,476	1,419
Administrative & support staff					
Part-time	1,960	2,035	1,838	1,959	1,965
Full-time	3,222	3,091	2,994	2,933	3,024
Total employees	10,870	10,177	10,579	10,826	11,230
Students per faculty member	34	39	35	34	33
Students per staff member	38	38	42	41	41
Average class size	20	20	20	20	20

	For the Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
Faculty					
Part-time	5,089	5,126	5,306	5,220	4,893
Full-time	1,500	1,592	1,576	1,536	1,440
Administrative & support staff					
Part-time	1,894	126	140	146	145
Full-time	2,971	3,012	2,951	2,746	2,744
Total employees	11,454	9,856	9,973	9,648	9,222
Students per faculty member	33	34	35	36	40
Students per staff member	44	72	77	85	88
Average class size	21	21	21	22	22

Source: District records for Integrated Postsecondary Education Data System (IPEDS).

Note: Data is as of November 1st of the fiscal year.

The source for the data changed effective with FY2016 and all prior years have been restated.

The method for calculating part time administrative and support staff changed effective FY2015.

**Maricopa County Community College District
Enrollment and Degree Statistics
Last Ten Fiscal Years**

Historic Headcount

<u>College/Center</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Phoenix	16,807	16,719	17,335	17,100	17,382	17,804	19,008	19,476	19,525	21,392
Glendale	25,913	26,054	27,350	27,263	27,947	29,306	30,926	31,666	32,854	32,962
GateWay	7,776	7,685	7,660	7,876	8,495	9,592	10,444	10,962	11,674	13,266
Mesa	30,236	29,837	30,010	30,154	30,770	33,238	36,054	38,602	40,070	41,836
Scottsdale	13,271	13,022	13,652	14,023	14,760	14,770	15,384	16,527	17,474	17,702
Rio Salado	42,086	41,496	42,716	43,882	45,317	46,836	48,333	52,685	56,031	57,746
South Mountain	6,022	5,877	5,909	5,707	5,772	6,159	6,801	7,338	8,027	10,186
Chandler-Gilbert	20,133	19,552	19,559	19,402	19,040	19,225	19,297	19,791	19,611	17,938
Paradise Valley	11,793	12,170	12,427	12,586	12,516	13,314	14,198	14,380	15,246	16,046
Estrella Mountain	14,262	13,772	13,715	13,080	12,571	12,994	13,009	12,475	12,508	12,612
Skill Centers	924	1,005	1,138	1,190	1,461	1,752	1,681	1,748	2,016	2,298
Adult Basic Education	6,070	8,188	9,389	9,655	10,003	10,310	11,244	12,297	11,128	11,264
Total	<u>195,293</u>	<u>195,377</u>	<u>200,860</u>	<u>201,918</u>	<u>206,034</u>	<u>215,300</u>	<u>226,379</u>	<u>237,947</u>	<u>246,164</u>	<u>255,248</u>

Historic FTSE

<u>College/Center</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Phoenix	6,079	6,021	6,396	6,453	6,621	6,753	6,977	7,001	7,137	7,576
Glendale	9,904	10,152	10,799	10,965	11,229	11,799	12,390	12,473	12,728	12,777
GateWay	2,821	2,777	2,953	2,962	3,128	3,310	3,482	3,415	3,567	3,897
Mesa	11,508	11,499	11,438	12,022	12,136	13,148	13,886	14,709	15,363	16,097
Scottsdale	4,480	4,490	4,896	5,053	5,288	5,362	5,622	6,030	6,350	6,397
Rio Salado	11,108	10,543	11,149	11,736	11,518	12,494	12,584	13,815	14,263	14,378
South Mountain	2,246	2,243	2,305	2,278	2,318	2,423	2,586	2,737	2,778	2,954
Chandler-Gilbert	8,042	7,905	7,939	7,968	7,828	7,894	7,936	8,047	7,830	7,206
Paradise Valley	4,300	4,332	4,564	4,749	4,641	4,882	5,109	5,260	5,503	5,715
Estrella Mountain	5,915	5,832	5,799	5,694	5,362	5,522	5,330	4,932	4,709	4,739
Skill Center	463	589	759	902	498	1,137	1,220	1,171	1,187	1,471
Adult Basic Education	606	1,115	1,347	1,293	1,321	1,426	1,332	1,628	1,609	1,337
Total	<u>67,472</u>	<u>67,498</u>	<u>70,344</u>	<u>72,075</u>	<u>71,888</u>	<u>76,150</u>	<u>78,454</u>	<u>81,218</u>	<u>83,024</u>	<u>84,544</u>

Degrees and Certificates Awarded

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Associate of Arts	5,553	5,947	5,920	5,409	5,537	5,040	4,947	4,486	4,360	4,007
Associate of Applied Science	3,342	3,167	3,098	3,249	3,273	3,403	3,429	3,115	3,049	2,900
Associate of Business	871	895	850	843	955	796	833	723	732	562
Associate of General Studies	594	776	810	617	631	655	690	685	604	601
Associate in Science	1,048	1,044	1,052	931	954	891	825	696	630	524
Associate of Transfer Partnership	-	-	-	-	-	-	-	-	11	12
Academic Certificate	113	121	119	130	145	158	196	121	72	41
Certificates of Completion in Occupational Programs	8,164	7,264	7,437	7,863	8,728	9,118	9,128	8,550	8,589	7,467
Arizona General Education Certificate	7,446	7,831	7,795	7,235	7,685	6,954	6,812	6,073	5,900	5,276

Source: District records.

Notes: FTSE refers to Full-Time Student Equivalent which is calculated by dividing total enrollment credit hours per semester by 15 credit hours (the number of hours considered to be a full-time student).

**Maricopa County Community College District
Student Enrollment Demographic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Attendance</u>		<u>Enrollment Status</u>			<u>Residency</u>		
	<u>FT</u>	<u>PT</u>	<u>Continuing</u>	<u>New</u>	<u>Former</u>	<u>Resident</u>	<u>Out of County</u>	<u>Out of State</u>
2019-20	31 %	69 %	* %	* %	* %	92 %	3 %	5 %
2018-19	31	69	*	*	*	92	3	5
2017-18	32	68	58	25	17	94	2	4
2016-17	32	68	58	25	17	94	2	4
2015-16	27	73	57	25	18	93	3	4
2014-15	28	72	57	25	18	93	3	4
2013-14	28	72	46	39	15	92	3	5
2012-13	28	72	45	40	15	92	3	5
2011-12	29	71	45	41	14	91	3	6
2010-11	28	72	43	42	15	89	3	8

<u>Fiscal Year</u>	<u>Gender</u>		<u>Ethnic Background</u>						<u>Median Age</u>
	<u>M</u>	<u>F</u>	<u>Native American</u>	<u>Asian</u>	<u>African American</u>	<u>Hispanic</u>	<u>Anglo</u>	<u>Other</u>	
2019-20	42 %	58 %	2 %	4 %	6 %	36 %	43 %	9 %	21
2018-19	43	57	2	5	6	35	44	8	21
2017-18	43	57	2	5	7	33	43	10	21
2016-17	44	56	3	5	8	29	45	10	21
2015-16	44	56	3	5	8	27	47	10	21
2014-15	44	56	3	5	8	26	48	10	22
2013-14	44	56	3	5	8	25	50	9	22
2012-13	44	56	3	5	9	23	51	9	22
2011-12	43	57	3	5	9	22	53	8	23
2010-11	43	57	3	4	8	21	55	9	22

Source: District records.

Note: * Data for breakdown of enrollment status is not currently available, but will be updated when it is available.

**Maricopa County Community College District
Schedule of Capital Asset Information
Last Ten Fiscal Years**

Location	Fiscal Year									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Phoenix										
Total Square Footage	778,700	778,700	778,700	759,403	759,403	753,589	753,589	763,792	699,830	643,816
Total Acreage	66.0	66.0	66.0	66.0	66.0	66.0	65.7	65.7	65.7	63.8
Glendale										
Total Square Footage	810,831	810,831	810,831	834,028	832,028	809,889	809,889	820,986	820,986	820,986
Total Acreage	313.0	313.0	313.0	313.0	313.1	313.1	314.0	314.0	314.0	314.0
GateWay										
Total Square Footage	554,129	554,129	554,868	532,697	532,697	532,697	532,697	532,697	406,074	373,426
Total Acreage	43.1	43.1	43.1	43.1	43.1	43.1	42.0	42.0	42.0	42.0
Mesa										
Total Square Footage	1,046,271	1,046,271	1,046,271	1,036,593	1,036,593	1,019,257	998,333	998,333	997,758	997,758
Total Acreage	248.6	248.6	248.6	248.6	248.6	248.6	248.9	248.9	248.9	248.9
Scottsdale										
Total Square Footage	594,451	594,451	595,890	564,437	564,437	563,937	570,943	566,167	566,167	566,926
Total Acreage	162.2	162.2	162.2	162.2	162.2	162.2	168.0	168.0	168.0	168.0
Rio Salado										
Total Square Footage	435,544	435,544	435,544	435,544	462,521	465,521	465,521	439,909	445,084	409,365
Total Acreage	31.4	31.4	31.4	31.4	31.4	31.4	31.0	31.0	31.0	29.0
South Mountain										
Total Square Footage	352,484	352,484	352,484	302,010	302,010	302,010	302,010	301,490	301,490	301,490
Total Acreage	148.3	148.3	148.3	148.3	148.3	142.9	148.8	148.8	148.8	148.8
Chandler-Gilbert										
Total Square Footage	672,845	672,845	670,325	670,325	666,825	654,380	654,380	580,329	580,329	580,329
Total Acreage	189.8	189.8	189.8	189.8	189.8	189.8	189.3	185.3	173.3	173.3
Paradise Valley										
Total Square Footage	463,320	463,320	463,320	463,320	463,320	440,203	440,203	428,356	424,311	424,311
Total Acreage	175.9	175.9	175.9	175.9	175.9	175.9	171.0	171.0	171.0	171.0
Estrella Mountain										
Total Square Footage	360,039	360,039	360,039	360,039	360,039	333,229	333,229	281,973	281,973	281,973
Total Acreage	221.1	221.1	221.1	221.1	221.1	221.1	216.0	216.0	216.0	216.0
District Services Support Center										
Total Square Footage	296,483	296,483	296,483	296,483	296,483	296,483	296,483	296,483	291,299	291,299
Total Acreage	11.7	11.7	11.7	11.7	11.7	11.7	12.1	12.1	9.8	9.8
Totals for District:										
Total Square Footage	6,365,097	6,365,097	6,364,755	6,254,879	6,276,356	6,171,195	6,157,277	6,010,515	5,815,301	5,691,679
Total Acreage	1,611.1	1,611.1	1,611.1	1,611.1	1,611.2	1,605.8	1,606.8	1,602.8	1,588.5	1,584.6

Source: District records.



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(480) 731-8554

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